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SYNTHESIS REPORT OF ERCA CROSS-COUNTRY DIGITAL MARKET STUDY



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FOREWORD

This report is the result of a collective effort between the Economic Regional Competition Authority (ERCA), national agencies responsible for competition and consumer protection and relevant regulators in Member states.

The study is timely, as it brought out the key competition and consumer concerns and pertinently assessed the existing policies, legal and regulatory framework in Member States within the scope of two main sub-sectors of the digital market, namely E-Commerce and Digital Financial Platforms, where it covered both national and cross-border competition and consumer protection issues in the sub-sectors within the ECOWAS region. The study provides a better understanding of the digital market in ECOWAS region and identifies possible solutions to the shortcomings in competition and consumer protection in the sector, including gaps in the policies, legal and regulatory frameworks in Member States.

The study has not only provided a clear understanding of the market dynamics and regulatory environment for the digital market and assessed the state of competition and consumer in Member States, but equally provided guidelines on ways for digital markets to be competitive and consumer oriented while observing the Community competition rules and the rights and protection of consumers.

Cooperation between ERCA and Member States will allow to strengthen the regulatory frameworks and preclude practices that distort competition and affect consumer welfare in digital market.

The recommendations of the study will further guide the stakeholders in Member States and ERCA to explore the effective mechanisms for the enforcement of competition rules and promote the culture of consumer welfare and address cross -border competition issues in the digital markets. Equally, dynamic of digital market provided the opportunity to leverage for socio-economic development of the sub-region.

Finally, the study could not have been successful without the strong collaboration of relevant stakeholders of Member States. I. therefore welcome the publication of this report given the relevance of the findings presented and the quality of the partnership between ERCA, the

national competition authorities, sector regulators, ministries of in charge of trade, finance, digital economy as well as businesses and consumer association.

I'm, therefore, delighted that this study has been published, given the relevance of the results highlighted, and the quality of the partnership between ERCA, the national competition authorities, sector regulators, ministries of in charge of trade, finance, digital economy as well as businesses and consumer association. I have no doubt that it will be well received by Member States, ECOWAS, the public and all partners to advance the competition and consumer protection culture with this dynamic sector.

Dr. Simeon K. KOFFI

Executive Director, ERCA

Acknowledgement

This report is the result of close collaboration between the Economic Regional Competition Authority (ERCA), the national competition authorities, Ministries, regulators of the digital market and other relevant national agencies. It was developed under the leadership and supervision of the Executive Director of the ERCA, Dr. Simeon Koffi. The report was prepared under the and technical coordination of the Principal Programme Officer Competition and Economic Research, Mr. Yahya Samateh, the Market analysis Officer, prof. Daki Dakitse-Benissan and the Executive Secretary of the Gambian Competition and Consumer Protection Commission, Mr. Basiru Njie. It benefited from the eminent contributions of the distinguished members of the Consultative Competition Commission (CCC), supported by ERCA administrative Staff.

OVERARCHING CHAPTER

BACKGROUND

The ECOWAS Regional Competition Authority (ERCA) is a Specialized Agency of the Economic Community of West African States (ECOWAS), charged with the implementation and enforcement of the ECOWAS Regional Competition Policy and Community Competition Rules adopted by the Authority of Heads of States and Government in 2007 and 2008 respectively. ERCA was created by statute (Supplementary Act A/SA.2/12/2008) adopted in 2008 and is headquartered in the Republic of The Gambia.

Competition law and policy in the ECOWAS region exists at the national level and the regional level even though the level of development and implementation of competition law and policy are at different levels in the respective ECOWAS Member States.

ERCA's mandate is, in cooperation with Member States, to keep commercial activities under review in the ECOWAS Market with a view to regulating practices which may distort the efficient operation of market conduct or which may adversely affect the economic interests of consumers. ERCA'S jurisdiction extends to cross border anti-competitive and consumer protection violations which affect competition and consumer welfare within West Africa.

As part of its mandate, ERCA assists ECOWAS Member States in assessing constraints that distort competition and affect consumer welfare in key sectors, provide support in the design of legal and institutional frameworks for effective competition and consumer protection policies, conduct market studies and mainstream the principles of competition and consumer protection policy within the broader investment climate reforms of ECOWAS.

In this vein, ERCA collaborated with nine Member States to conduct a market study on the state of competition and consumer welfare in the digital market. The nine participating Members States in this study are, Cabo Verde, Code D'Ivoire, The Gambia, Guinea Bissau, Liberia, Nigeria, Senegal, Sierra Leone and Togo. The study is enshrined within the framework

of ERCA's market research and analysis programme for a better understanding of national and regional markets dynamics.

The purpose of this regional synthesized report is to consolidate the findings and recommendations from the market studies conducted by the nine Member States, from a regional perspective. The report showcases competition and consumer protection concerns, common trends, market dynamics, challenges and opportunities across the region. The report is in line with ECOWAS efforts to harmonize policies and regulations, which is crucial for deeper economic integration and collaboration within the ECOWAS framework.

The digital market was chosen by ERCA given its rapid emergence and its very important impact on regional integration within the ECOWAS region. The market plays a major role in the facilitation of cross-border trade, by simplifying transactions, reducing costs and more efficient logistics. E-commerce widens access to larger markets within the ECOWAS region and enables local businesses to reach 400 million consumers within the region; this leads to economic growth, enhanced competition and consumer welfare within the region.

The digital market also has a role to play in relation to social inclusion; by improving access to digital services, marginalized groups gain opportunities for economic participation, education, and access to essential services.

Overall, the digital market serves as a catalyst for economic development and regional integration in the ECOWAS region, promoting trade, competition, investment, social and financial inclusion. Its effective harnessing can lead to more cohesive economic ties and sustainable growth across Member States.

While the potential of digital markets is immense, there is an urgent need to address the challenges that accompany this shift. There are major issues such, inadequacies in competition, consumer protection, regulatory framework and infrastructure etc.

The importance of enhancing competition in the digital market cannot be overstated, as competition is the lifeblood of any thriving market. It stimulates innovation, improves quality, and ultimately benefits consumers by providing them with better choices at competitive prices. In the digital realm, we must foster an environment where new entrants

can compete fairly with incumbents. This means removing barriers to entry, promoting access to technology, and ensuring that all businesses, regardless of size, have the opportunity to thrive. By doing so, we create a dynamic marketplace that encourages creativity and efficiency.

Consumer Protection in the digital market is also as pivotal, as consumers within the region engage in online transactions, they must feel confident that their rights are safeguarded. This involves implementing clear regulations that protect consumers from unfair, misleading, exploitative and deceptive practices. Empowering ECOWAS citizens with knowledge about their rights and providing them with accessible channels for redress is essential. Effective consumer protection builds confidence, which in turn drives higher levels of participation in the digital economy.

The enhancement of competition and consumer welfare in the digital market nationally and within the region is quite complex. However, study is a good start, as it assesses the state of competition and consumer welfare. In the long run, the enhancement of competition and consumer in the digital market requires an effective mix of advocacy, awareness creation, capacity building, stringent enforcement, comprehensive and adaptive regulatory framework. With these in place, as a region we can create a thriving digital economy that benefits all stakeholders.

PURPOSE AND OBJECTIVES

There are two main purposes of the cross-country study in the digital market, firstly to enable Member States to assess the state of competition and consumer welfare nationally, in a bid to come up with recommendations and solutions to make the sectors more competitive and consumer oriented at a national level, but also to ensure the enhancement of competition culture in the regional level.

Secondly the study enables ERCA to understand the state of competition and consumer welfare in Member States, and most importantly to identify and understand the nature of cross-border competition and consumer protection concerns, that may need ERCA's

intervention through advocacy, capacity building, enforcement, policy advisory and provision of technical support etc.

The ultimate objectives of the study are to achieve a competitive and consumer-oriented digital market, economic growth, enhanced integration in West Africa and a market that provides opportunities for majority of market participants in the ECOWAS region.

The study presented an opportunity for regional cooperation, as it enabled Member States to share knowledge, experiences, and best practices. This collaboration has helped build a more integrated and resilient ECOWAS market. ERCA is uniquely positioned to address cross-border cases that arise in this interconnected market, thus through fostering collaboration among Member States, the Authority can develop coherent strategies to tackle anti-competitive practices that span national boundaries. This cooperation is essential for effective enforcement and for ensuring that businesses and consumers can navigate the digital landscape with confidence.

SCOPE

The study focused on two main sub-sectors of the digital market, namely E-Commerce and Digital Financial Platforms in Member States, it covered both national and cross border competition and consumer protection issues in the sub-sectors within the ECOWAS region.

In relation to E-Commerce, the study focused on competition and consumer protection issues in relation to the following:

- Businesses with their own online retail platforms
- Businesses using social media platforms to sell products or services
- Consumer -to -consumer buying and selling (digital marketplaces)
- Informal (unregistered) online vendors mainly using social media and messaging applications
- Businesses engaged in online marketing / advertisements

- Online search platforms

In relation to Digital Financial Platforms, the study focused on competition and consumer protection issues in relation to the following:

- All businesses operating digital financial platforms, including intermediaries or businesses within the value chain of these transactions, from commencement of a transaction to the end
- Digital Financial Platforms include apps developed by financial service providers (banking, money transfer, etc.) mobile money, mobile wallet and all other online financial platforms in Member States.

The study covered a three-year period, 2021, 2022 and 2023, for the operations of the enterprises highlighted in the e-commerce and digital financial platforms.

METHODOLOGY

The participating Member States utilized similar methodologies developed through consultative processes, which is a mixed-method research design, using both quantitative and qualitative methods. All Member States utilized primary and secondary data in their analysis. The sample size varied across Member States, as they were given the liberty to determine their own sample sizes, due to variation in population sizes, market dynamics and resources at the disposal of each Member State.

The study targeted several stakeholders, including consumers, enterprises with digital financial platforms, e-commerce enterprises, sector regulators, ministries and consumer associations.

A national technical committee was set-up in each Member State to collaborate and jointly conduct the study. The Bodies in charge of competition and consumer protection, or the Ministries in charge of Trade and Industry as the focal points were charged with responsibility

of establishing the national technical committees. The membership of the committees varied across Member States however most of the committees included the Ministries and Sector Regulators responsible for digital financial platforms and e-commerce.

ERCA developed all the relevant working tools for the study as highlighted below, these tools were reviewed and adopted by the Consultative Competition Committee (CCC) prior to the commencement of the study.

- Eight (8) sets of questionnaires for the Ministries in charge of e-commerce and digital financial platforms (2), the sector regulators in charge of e-commerce and digital financial platforms (2), the e-commerce and digital financial platform enterprises (2), and consumers using the e-commerce and digital financial platform services. The administration of the questionnaires was done through face to face interviews online whilst some were sent to target stakeholders who submitted back their responses.
- Detailed study outline and structure, showcasing the chapters in the study and the required information to be included in each chapter.
- Detailed timeline, which shows the roadmap for the study and the timeframe that each activity should be done.
- The scope and methodology for the study.
- Parameters for the calculation of market shares, which included annual turnovers, number of transactions, and number of customers per year, for periods 2021, 2022, and 2023.
- Methodology for the calculation and interpretation on market concentration, in order to determine how concentrated the markets are nationally.

ERCA also developed online versions of the questionnaires which made it easier for Member States to administer and analyze. These working tools set the pace for the conducting of the study as it gave Member States adequate tools and guidance to be able to conduct the study effectively and also ensure that the methodology for the study is harmonized among Member States.

An in-depth analysis of the questionnaires and interviews, provided vital information on the market structure, market shares, concentration ratio, competition concerns etc, which enabled ERCA and Member States to understand the competitive landscape of the digital market.

The analysis of the questionnaires and interviews also enabled the gathering of data on consumer experiences, trends, challenges and concerns. This includes assessing issues such as consumer behavior, perception, product / service quality, disclosure, and the availability of options etc. Understanding these factors was crucial in developing adequate recommendations for the enhancement of consumer welfare within the region.

In relation to secondary data, Member States conducted literature review, including the review of national laws, regulations, and policies governing the sector. The review of the legal, policy and regulatory framework enabled Member States to discuss how they apply to the sector and assess if they are adequate to take care of competition and consumer protection concerns.

The assessment of the legal, policy and regulatory framework provided valuable insights that can guide the necessary amendment or formulation of laws, regulations and policies aimed at promoting fair competition and protecting consumer rights. This is particularly important as ERCA aims to spearhead the process of supporting the development and harmonization of competition and consumer protection laws, regulations and policies across Member States.

This regional synthesized report is to provide the key findings of the study and the recommendations for each of the participated Member States in separate chapters. Each chapter includes an Introduction, Background of the digital market in Member States, Policy, Legal and Regulatory Framework, Market Structure, Competition Concerns, Consumer Protection Concerns, Conclusion and Recommendations. The last chapter of the report is the key insights and observations based on the studies conducted by Member States.

LIMITATION

The main limitation of the study was some Member States' inability to obtain timely primary data to compute and assess market shares and concentration ratios. Despite consistent efforts by Member States, some of the sector regulators and businesses did not provide data to enable some Member States to adequately assess the competition dynamics. Notwithstanding, through interviews and questionnaires, all Member States were able to identify the main competition and consumer protection concerns in their respective jurisdictions.

CHAPTER 1: CABO VERDE

INTRODUCTION

The Cabo Verde Competition Authority is the body charged with mandate of enforcing the competition law in Cabo Verde. The Authority conducted this study in collaboration with the Multisectoral Regulatory Agency for the Economy (ARME), Bank of Cabo Verde (BCV), Telecommunications and the Digital Economy of the Ministry of the Digital Economy, and the National Institute of Statistics.

Digital Market in Cabo Verde

The digital market in Cabo Verde is booming, driven by growing digitalisation and the adoption of new technologies by both consumers and businesses. Among the main drivers of this growth are e-commerce and financial platforms, two sub-sectors that have stood out for their relevance and impact on the country's digital economy.

E-commerce in Cabo Verde has shown remarkable expansion, particularly after the impact of the COVID-19 pandemic, which accelerated the transition of many Cabo Verdean businesses to digitalize. More and more consumers are opting for the convenience of online shopping, driven by the wider range of products and services on offer, as well as improved payment and delivery options. Local and international platforms allow Cabo Verdeans to carry out transactions in a practical and secure way, which has contributed to increasing confidence in online commerce.

In terms of digital financial platforms, the Televint4 service is the main platform, it is from the Interbank and Payment Systems Company (SISP), created in 2005.its app version was launched in 2021, which consists of a digital financial wallet.

The digital market in Cabo Verde continues to grow rapidly, with e-commerce and digital financial platforms playing key roles in transforming the country's digital economy. Both sub-sectors respond directly to the convenience, security and accessibility needs of consumers

and businesses, driving the continued growth and diversification of digital solutions. These developments stand out as crucial to Cabo Verde's integration into the global digital economy.

POLICY, LEGAL AND REGULATORY FRAMEWORK

Cabo Verde recognised early, the importance of e-commerce for business competitiveness and the national economy, which is why it has been working to modernise and strengthen its legal framework.

Cabo Verde Competition Authority is mandated to ensure fair competition in the digital market. The other regulators or stakeholders within the sector include:

- The Bank of Cabo Verde, created in 1975, has evolved in modern times as the main guardian of the country's economic stability. It acts as a central bank, issuer, financial regulator and more.
- The Ministry of Digital Economy is the Government body responsible for developing and implementing strategies for Cabo Verde's digital transformation.
- The Consumer Association is a civil association that works to guarantee consumer rights and promote sustainable development in Cabo Verde, seeking solutions to the challenges faced by consumers.
- The Interbank Company and Payment System is a financial institution responsible for managing activities related to the development and use of means of payment in Cabo Verde;
- The General Inspection of Economic Activities is a body of the Judicial Police, responsible for promoting preventive and repressive actions in terms of anti-economic offences and offences against public health in Cabo Verde.

National Laws and Regulations

- Competition Law by Decree-Law no. 21/2022 of 10 June
- Law no. 88/V/98 of 31 December, on the Legal Regime for the Protection and Defending Consumers. Later, with the entry into force of Decree-Law 19/2008, the existence and availability of a complaints book became compulsory in all establishments that sell goods or provide services.
- Law no. 41/X/2024 on the " Legal Framework for Digital Services and Electronic Commerce
- Decree-Law 46/2000 regulated electronic documents and digital signatures;
- Decree-Law 49/2003, establishing the legal framework for the development of e-commerce in the country
- Law no. 41/X/2024 approving the "Legal Framework for Digital Services and Electronic Commerce
- "Terms and conditions" governed by the regime of general contractual clauses, approved by Law no. 33/IX/2018, of 28 June;
- The privacy policy is governed by the general legal framework for the protection of personal data in Cabo Verde;
- Legal framework for cybersecurity;
- Legislation applicable to electronic invoicing in Cabo Verde.

Policies and Plans

Digital Economy Strategy of Cabo Verde (EEDCV) 2024 - 2030

Regional Laws and Protocols

- Supplementary Act A/SA.1/12/08 Competition Rules of the ECOWAS Regional Competition Authority
- AfCFTA Competition Protocol

Gaps in the Policy, Legal and Regulatory Framework

Despite the significant advances in Cabo Verde's legal framework in terms competition and consumer protection in the digital market, there are still some weaknesses that affect the effectiveness of these regulations.

In terms of competition, the recent creation of the Competition Authority (AdC) is an important step, but its practical application faces challenges, such as the lack of adequate resources for its effectiveness and capacity building to ensure effective and efficient supervision.

There is need to update the Law to adequately address and cater for the ever-evolving market and technological landscape and provide a modern and effective regulatory framework that promotes fair competition and protects both consumers and businesses.

In relation to consumer protection, despite the existence of a relatively robust legal framework, including the legal regime for consumer protection and defence, the mandatory complaints book and consumer protection in e-commerce, there are gaps in the monitoring and practical application of these rules. Many consumers are not fully aware of their rights and dispute resolution mechanisms are not always effective or accessible.

In Cabo Verde, there is still a lack of a sprightly and accessible Dispute Resolution Centre that directly meets the needs of consumers. Currently, the country does not have a specific mechanism for the quick and effective resolution of disputes between consumers and suppliers, nor is there a legal framework to facilitate the creation of such a centre. It is crucial to integrate a specialised entity in this field to defend consumer rights efficiently, offering an

affordable alternative to the traditional judicial system. This would strengthen consumer protection and encourage greater confidence in the markets.

In addition, as Cabo Verde is a major tourist destination, it is essential to consider creating a defence mechanism for foreign consumers. The implementation of a regional protection instrument, especially in the context of ECOWAS, where there is free movement of people between member countries, would benefit both residents and tourists. An example to be followed could be the European Consumer Centre, which offers interconnected support to consumers from different countries. Legislation targeting the rights of foreign consumers would be a significant step towards ensuring sustainable and safe tourism, bringing Cabo Verde in line with international best practice.

MARKET STRUCTURE

In recent years, there has been remarkable growth, in line with the global trend of increasing adoption of digital technologies in Cabo Verde evidenced by steady progress in integrating digital tools into various aspects of daily life. Internet penetration reached 64.4% in January 2023, with around 360,000 active users (*DataReportal - Global Digital Insights*), reaching around 433,700 users in 2024, representing a penetration of 72.1% of the population.

Between 2017 and 2023, there was substantial growth in the number of internet and social media users in Cabo Verde. Mobile connections increased significantly, from around 300,000 in 2017 to 572,000 in 2021, even surpassing the total population, due to the use of multiple connections per person (*DataReportal - Global Digital Insights*).

The growth seen in both internet penetration and the population active on social networks is driven by a number of factors, including improvements in accessibility and digital infrastructure, as well as the increased use of mobile devices.

In addition, Government policies have encouraged the development of local content and the digital empowerment of the population, with the aim of stimulating sustainable growth in the digital market. This has given the establishment of Digital Islands Technology Park of Cabo

Verde – TechPark, the first of its kind in west coast of Africa. This has simulated for the wider economic, in particular private completeness.

Among the main players in the digital financial sector are commercial banks such as “Banco Comercial do Atlântico” (BCA) and “Caixa Económica de Cabo Verde” (CECV), which have developed internet banking and mobile banking platforms. The remaining banks in Cabo Verde only offer internet banking via the web, for example: “Banco Cabo-verdiano de Negócios” (BCN); “Banco BAI Cabo Verde” (BAI); “Banco Interatlântico (BI)”; among others.

The level of concentration in the traditional banking sector remains high, with the main financial institutions controlling most digital transactions. However, the entry of new players and increased digitalisation are fostering greater competition, especially in niche markets such as microcredit and peer-to-peer payments.

At the same time, telecoms companies such as ALOU, better known to the public as "CV Móvel" and Unitel T+, play a key role through their mobile solutions, such as the "Alou App".

As far as the transaction chain is concerned, digital platforms have simplified financial operations, allowing consumers to make payments, transfers and online purchases safely and efficiently. Digital payment services range from *e-wallets* to mobile app payment systems, with an emphasis on convenience and security. Financial transactions take place mainly through banking systems integrated with companies' digital platforms, facilitating the flow of money between customers and suppliers.

As mentioned above, SISP is responsible for managing activities related to the development and use of means of payment in Cabo Verde.

In relation to the current market trends, there is a growing preference for digital financial services, especially among youth and small and medium-sized enterprises (SMEs), who are looking for agile and low-cost solutions. Increased cybersecurity and the development of new technologies, such as blockchain, are creating opportunities, although challenges related to financial inclusion and financial and digital education remain a concern for all the main players in the market.

The regional integration of digital financial platforms, in co-operation with other ECOWAS countries, is another factor that is shaping the future of this sector.

COMPETITION CONCERNS

The stakeholders did not reveal any particular competition issues. However, some mentioned difficulties such as logistics and transport between islands, which can create barriers to entry and influence competition in the sector. Issues in relation to fraud and payment security, which affect competitiveness and trust in e-commerce were also raised. In addition, stakeholders felt that there is little competition in the market, which can be a barrier to growth and innovation in the sector.

CONSUMER PROTECTION CONCERNS

Digital Financial Platforms

Most Common Problems

The most common problems reported by consumers include frequent platform downtime (13%), difficulty of use (6%), as well as undue charges and high fees, each accounting for around 4% of responses. Limited disclosure of fees and conditions was also a negative factor pointed out by 4% of respondents. With regard to resolving problems, the majority of consumers (13%) did not make any formal complaints to companies, while only 4.1% said that their problems were fully resolved. Other consumer concerns also include the security of personal data (21%) and online fraud (19%).

Consumer Recommendations

Consumers recommend for the Government to prioritize improving the Information and Communication Technology (ICT) infrastructure, as indicated by 22 % of respondents. Stricter

regulation of the digital financial sector was also pointed out as an area of attention by 21 % of respondents.

Lack of awareness by businesses

The knowledge of businesses operating digital financial platforms on the sector's policies and regulations is limited, with 56 % of companies declaring that they are unaware of the laws governing their activities. However, 44 % are aware of these policies and are able to adapt their operations accordingly.

Businesses Recommendations

The businesses indicated the need to create tax mechanisms to boost the digital sector, stimulate digital education and allow digital government services to be provided by private companies through commissions, strengthening the partnership between the public and private sectors.

E-Commerce Platforms

Consumers Main Concerns

Consumers' main concerns relate to a lack of transparency, cited by 73.2 %, and the security of personal data, highlighted by 63.4 % of respondents. Fake adverts were also cited as a significant concern for 63.4 % of consumers.

Return Policies

The difficulty of returning unsuitable products was the biggest obstacle reported by 58 % of respondents. In addition, online fraud and a lack of information about sellers were mentioned by 14 % of respondents, while poor customer service was highlighted by 12 %.

Submission of Formal Complaints

With regard to resolving problems, 58% of consumers reported that they had not submitted formal complaints, indicating that many end up not formalising complaints. Only 14 % had their problems completely resolved by the companies, reflecting the need to improve customer service.

Awareness of Businesses

One of the main concerns is businesses' lack of knowledge of the policies and regulations that govern the sector. Around 80.7 % of businesses say they are unaware of the laws governing e-commerce, which can pose a challenge to the growth and compliance of relevant laws, regulations and policies.

CONCLUSION AND RECOMMENDATIONS

Conclusion

The analysis of the responses to the questionnaire reveals a complex and multifaceted competitive landscape for both e-commerce and financial platforms. Competition is not just limited to prices, but also includes quality of service, innovation and transparency. Companies that can adapt to consumer needs and concerns are more likely to stand out and thrive in a competitive market.

The concerns expressed by consumers in the questionnaires underline the need for a more consumer-centred approach by businesses and regulators. Creating an environment of trust and security will not only benefit consumers, but will also give businesses a competitive edge in the market. It is therefore essential that all stakeholders work together to address these concerns and create a more transparent and secure market.

Recommendations

Transparency in transactions

It is important for mechanisms to be put in place to ensure businesses implement clear and transparent practices at all stages of transactions, as this is key to gaining consumer trust and strengthening brand loyalty.

Cybersecurity

Government must strive towards strengthening the security of customer data by using systems to protect against fraud and cyberattacks.

Consumer Responsibility

Consumers should conduct research to make informed decisions, be more vigilant and to demand more clarity from businesses about the information they provide, such as clear terms and condition, details on prices, return policies and the security of their data.

CHAPTER 2: COTE D'IVOIRE

INTRODUCTION

In Cote d'Ivoire, there is a body in charge of competition which is the Côte d'Ivoire Competition Commission. It conducted the study in collaboration with the Ministry of Finance and Budget, Ministry of Digital Transition and Digitization and the Telecommunications Regulatory Authority.

Digital Market in Cote D'Ivoire

Since the early 2010, and with the end of the post-election crisis, Côte d'Ivoire has experienced a steady economic growth, accompanied by a boom in the telecommunications sector and the emergence of a middle class, all of which has encouraged the growth of the e-commerce sector.

Consumers easily became attracted to the usage of digital platforms due to the possibility of having goods delivered without having to deal with the numerous traffic congestions in Abidjan or major urban centers, especially when it comes to very heavy goods. E-commerce sales in Côte d'Ivoire reached 447.3 million US dollars in 2023. The sector is currently driven by twenty (20) main players.

Digital financial platforms are also rapidly developing in Cote d'Ivoire. A decade ago, Ivorians would not have expected to have so many mobile payment platforms at their disposal. Today, major players like Orange, MTN, Moov and Wave make it possible to carry out financial transactions with just a smartphone.

There has been a spectacular growth of mobile money, with almost 23.93 million mobile money subscribers. In 2020, the entrance of 37 start-ups focusing on electronic wallets, associated payments and money transfer solutions, showcases the deep rootedness of technology in the daily lives of Ivorians, and position Côte d'Ivoire as the largest "electronic

money" market in the UEMOA. However, it is imperative that the Government reinforces this momentum by continuing to invest in robust digital infrastructural facilities.

POLICY, LEGAL AND REGULATORY FRAMEWORK

In view of the rapid expansion of the digital market, the Ivorian Government developed a regulatory framework that ensures there is a conducive business environment for players to thrive. In this regard, between 2012 and 2013, a large number of laws and regulations were adopted and are currently in force.

The establishment of the Telecommunications Regulatory Authority of Côte d'Ivoire reflects the Ivorian government's desire to entrust the sector's challenges to a neutral and autonomous entity. The aim of the digital sector framework is to create an environment conducive to the emergence of a competitive framework that will ultimately ensure consumer satisfaction.

Below are some of the main national and international laws and regulations governing the sector in Cote d'Ivoire:

National Laws and Regulations

- Order of 21 March, 2012 on Telecommunications and ICT
- Law of 19 June, 2013 on the protection of personal data
- Law of 19 June, 2013 on combating cybercrime
- Law of 30 July, 2013 on electronic transactions
-

Regional Laws and Protocols

- Supplementary Act A/SA.1/12/08 Competition Rules of the ECOWAS Regional Competition Authority

- AfCFTA Competition Protocol

Gaps in the Policy, Legal and Regulatory Framework

The policy and regulatory framework currently in place, do not make platforms liable for breaches of consumer protection laws. Furthermore, the legal framework does not compel businesses, particularly online platforms, to set up online mechanisms for settling consumer disputes.

The legislative and regulatory framework do not adequately promote transparency and consumer protection by setting clear standards for data confidentiality, and does not adequately spell out the obligations of digital financial service providers to consumers.

Consumers in remote areas without internet access do not benefit from equitable access to digital financial services.

MARKET STRUCTURE

The e-commerce sector is driven by twenty (20) main players, including two (2) sites which are the most dominant players. Jumia and Locanto alone account for 270,000 monthly searches, translating to 86 percent of total searches. With the exception of Jumia, international sites dominate the e-commerce rankings in Côte d'Ivoire. Some sites, such as www.paris-boutique.com, offer the possibility of shopping on international sites. Furthermore, there are informal logistics players such as MonKolis.

In relation to digital financial platforms, just two years ago three mobile money operators (Orange, MTN and MOOV) totally dominated the mobile money market. However, by eliminating fees for withdrawals and deposits, the new mobile money operator WAVE has quickly found its clients. To date, WAVE is the only mobile money operator in Côte d'Ivoire that does not apply dual pricing, and consumers find this very attractive. Two years after its arrival on the market, Orange and MTN commenced losing market shares and the pressure

was so great that in August 2022, the "National Union of Mobile Money Points of Sales Owners of Cote d'Ivoire" went on strike. During this time, the mobile money services were severely disrupted, much to the dismay of Ivorian consumers.

There are also several commercial banks that offer digital financial services to their consumers. All companies using financial platforms have the USSD (Unstructured Supplementary Service Data) Code. These codes, specific to each operator, are defined as command messages sent to the network in real time to obtain essential information.

The Government has also developed its own digital financial services. They are often part of larger e-government systems, designed to use ICT to improve the transparency, accountability and efficiency of public administration in the delivery of public services. They include :

- The Directorate-General of Treasury and Public Accounting with its various initiatives aimed at digitizing budgeting, procurement, taxation and treasury services (e.g. SIB, SIGMAP, e-levy, Attoungblan, Baobab, Tresor-Pay);
- The Ministry of Transport (QUIPUX financial platform for paying fines related to quipus road traffic offences).
- The Ministry of Education (Celpaid, a platform for paying tuition fees online).

COMPETITION CONCERNS

Barriers to Entry

New operators wishing to enter the Ivorian digital market are required to obtain the frequency bands needed to provide a mobile service, a license to operate a telecommunications business, and a USSD code to operate an electronic financial platform. All these formalities could eventually discourage them or dampen their enthusiasm to enter the market.

High Switching Cost

Switching costs are still relatively high, as costs, both in terms of money and time, incurred by consumers when switching from one business to another.

CONSUMER PROTECTION CONCERNS

Quality concerns

Consumers have reservations about the quality of some of the products sold online. The products are viewed to be inferior quality compared to those that were advertised, hence misleading product information.

Lack of awareness of redress mechanisms

Consumers interviewed were mostly not aware of the existence of Government structures responsible for dispute settlement arising from electronic transactions, thus 100% of those surveyed have never referred to such matters to the authorities.

Data privacy and security

The study revealed that 20% of consumers have data privacy and security concerns and have urged for the Government to strengthen the legal and regulatory framework to increase the security of their personal data.

Consumers raised concerns in relation to the lack of transparency and disclosure by players operating in the sector, particularly relating to rates and other charges linked to the electronic transactions they use, as they feel this have led to them being exploited.

CONCLUSION AND RECOMMENDATIONS

Conclusion

The digital market in Cote d'Ivoire has undergone rapid development and transformation however there is still room for growth and improvement mainly by ensuring that the sector is better regulated in terms of strengthening consumer protection and competition. In addition, there is an urgent need to strengthen the national ICT infrastructure to increase the level of service provision, ensuring access to all. Through the development and updating of the regulatory framework and infrastructure, the market will be better able to meet the needs of the consumers and businesses alike.

Recommendations

Update of Competition Framework

There is a need to adapt pro-competitive regulations requiring businesses to make their platforms interoperability, third-party accessible and data portability, so as to facilitate platform switching and multi-homing, as well as free the entry of new businesses into the market.

In addition, adopting ex ante, pro-competitive regulation of the activities of dominant online platforms could be seen as a more effective way of enhancing competition in digital markets.

Adequate Consumer Protection Laws

To put in place mechanisms to ensure that platforms liable for breaches of consumer protection laws are penalized. In addition, to promote transparency and consumer protection by setting clear standards for data privacy and ensuring the accountability of providers of financial services or online goods and services.

Online Dispute Resolution Mechanisms

Put in structures to ensure businesses set up online dispute resolution mechanisms.

Increased Advocacy

Develop education and information campaigns to increase consumers' ability to use digital products and services, and understand their rights, responsibilities and redress mechanisms.

CHAPTER 3: THE GAMBIA

INTRODUCTION

In the Gambia, the Gambia Competition and Consumer Protection Commission (GCCPC) is the body charged with the mandate of enforcing competition and administering consumer protection. The Commission conducted digital market study in collaboration with the following institutions:

- Central Bank of The Gambia (CBG);
- Ministry of Communications and Digital Economy (MoCDE);
- Public Utility Regulatory Authority (PURA);
- Ministry of Trade, Industry, Regional Integration and Employment (MoTIE);
- Gamswitch Company Limited; and
- Information Technology Association of the Gambia (ITAG).

Digital Market in The Gambia

In the Gambia, mobile wallet providers and commercial banks mainly provide Digital Financial Services (DFS). DFS encompasses various financial products and services, including payments, remittances, savings, and credit using a mobile phone or other digital technology. It also includes established instruments (debit and credit cards) offered primarily by banks.

Commercial banks in The Gambia entered the DFS sector following the launch of mobile banking by Ecobank in 2017, since then banks have significantly expanded their digital services by offering online banking through mobile apps.

In 2015, the telecommunications companies, commenced the introduction of mobile money services. By 2023, the competition among these providers attracted the entrance of other

digital wallets spurring innovation and expanded service offerings, including bill payments, remittances, and merchant payments, significantly increasing financial inclusion across The Gambia.

As in most countries, e-commerce in the Gambia emerged through the informal use of social media, where businesses used the networking effects of social media platforms to initiate digital commerce. This paved the way for more formal e-commerce platforms to enter the market. In addition to traditional e-commerce platforms, digital financial platforms in The Gambia, such as digital wallets and banking applications, have incorporated e-commerce services mainly offering products like airtime and electricity tokens. However, the recent introduction of 1Bena as a e-commerce platform has open the way for more players in the e-commerce, with low scale participation.

POLICY, LEGAL AND REGULATORY FRAMEWORK

The regulation of digital financial platforms and e-commerce is cross-cutting and multi-sectoral. GCCPC has an overarching role to enforce the Competition Act 2007 and administer consumer welfare in line with the Consumer Protection Act 2014. The Central Bank of the Gambia (CBG) has a broad mandate to regulate and supervise the financial sector, including Digital Financial Services. The bank also authorizes DFS provided by licensed financial institutions, mobile money products, and other electronic money (e-money) products.

The Ministry of Communications and Digital Economy administers The Gambia Cyber Security Policy 2020-2024 and the Information Communication and Technology for Development Policy 2018-2028, to ensure online privacy and security. Whilst, the Ministry of Trade, Industry, Regional Integration, and Employment coordinates policy initiatives and regulations on digital commerce.

National Laws and Regulations

- Competition Act 2007
- Consumer Protection Act 2014

- Gambia Information and Communication Technology Agency Act (GICTA), 2019
- Regulation for the Provision of Retail Payment Service (RPS) 2023

Policies and Plans

- Gambia National Cyber Security Policy 2020-2024
- Information Communication and Technology for Development (ICT4D) Policy 2018-2028
- National Trade Policy 2018-2022
- The Gambia Recovery Focused National Development Plan 2023-2027

Regional Laws and Protocols

- Supplementary Act A/SA.1/12/08 Competition Rules of the ECOWAS Regional Competition Authority
- AfCFTA Competition Protocol

Gaps Within the Policy, Legal and Regulatory Framework

The Gambia Competition Act 2007 lacks clear guidelines on assessing market power in the digital market, as the Act was established in 2007 to enforce competition in the traditional "brick and mortar" market.

Section 32 of the Competition Act 2007 requires the Commission to investigate merger notifications, however the merger regulations have not been developed for the enforcement of mergers by the Commission.

The terms and conditions under section 10 of the Consumer Protection Act 2014 on distance or digital trade is limited to e-commerce transaction and does not adequately capture the obligations of a supplier/provider under a digital transaction.

There is a need for a revised National Trade Policy to redirect Gambia's e-commerce ecosystem.

Generally, there is a need to update the competition and consumer protection acts to better cater for the digital market.

MARKET STRUCTURE

Transaction Chain

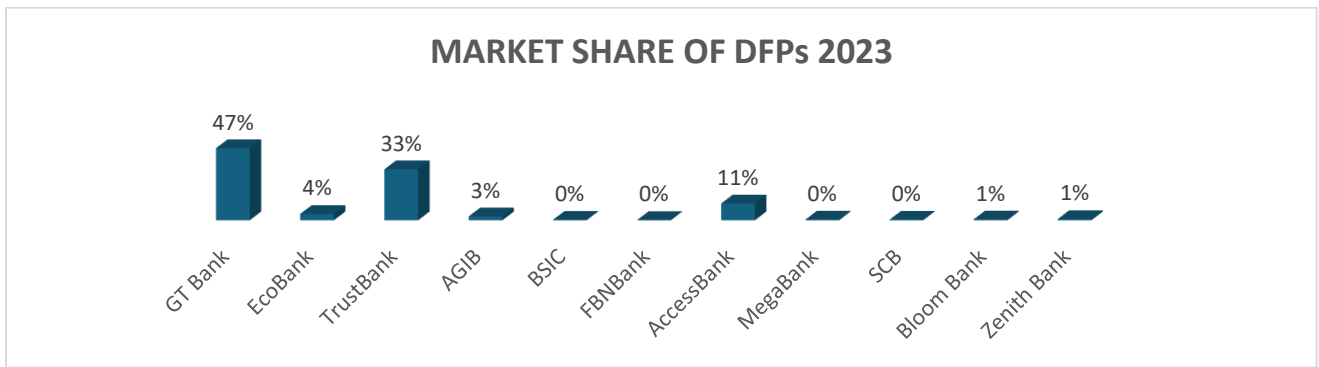
1. **Platform Providers:** These entities offer various platforms and services like digital wallets, banking applications, and e-commerce platforms. They serve as the foundation for digital financial and e-commerce transactions.
2. **Intermediaries:** intermediaries provide the link between platform providers, merchants, and Consumers. They enable interoperability, facilitate transactions and continuous flow of digital payments. In the Gambia, Gamswitch is the only switching company.
3. **Merchants:** Merchants are the sellers within the digital ecosystem, offering products or services. They include a wide range of businesses such as GSM operators, utility companies, and various traders.
4. **Aggregators:** Aggregators in the digital market are platforms that collect information on particular goods or services from various sources and present them to consumers in a unified way. They act as intermediaries, connecting customers with service providers or sellers without owning the inventory themselves. In The Gambia, other aggregators serve as wholesalers.
5. **Delivery Agents:** Delivery agents are responsible for transporting goods from merchants to customers. They follow a specified schedule and identify the most efficient routes to avoid delays. They also collect cash payments on behalf merchants, serving as substitutes for digital payments.

- 6. **Consumers:** Consumers are end users of the services or products provided by merchants.

Market Shares

As a result of the limitations of the data, the study utilised the transaction volumes of player from the national switch (GAMSWITCH) to compute the shares. The DFS market shares is segregated into banking applications and wallets.

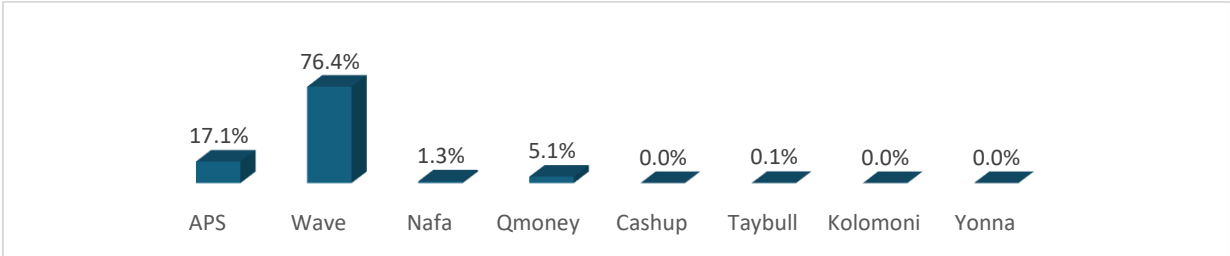
Figure: 1 Market Share of DFPS 2023



Source: GCCPC

In 2023, the market share analysis of banking financial service providers in e-banking transactions shows that Guaranty Trust Bank (GT Bank) emerged as the dominant player, capturing a substantial 47% of the market. The closest competitors collectively, held a significant 44% of the market shares, with Trust Bank being the closest competitor and positioning itself as a strong contender in the sector. Together, these two banks dominate the market, leaving the remaining providers with relatively smaller shares.

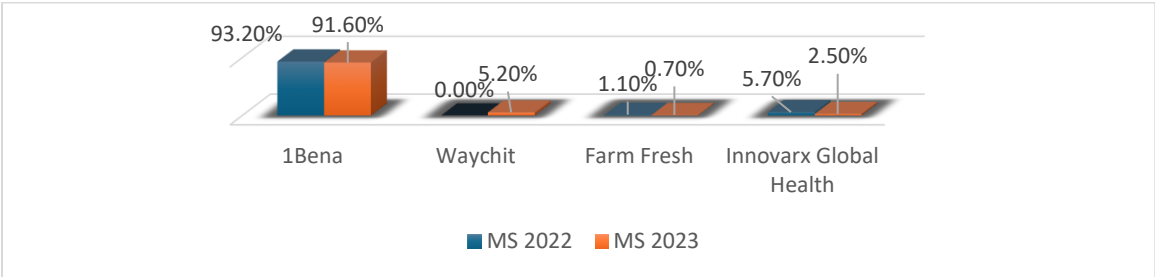
Figure 2: Wallets 2023 Market Share



Source: GCCPC

In 2023, The digital financial platform market in under digital wallets is dominated by Wave holding 76.4% market share. The remaining competitors account for just 23.6% of the market, with APS being the closest rival at 17.1%. This distribution highlights a highly concentrated market, where Wave stands as the clear leader, leaving other platforms like Qmoney, Nafa, and Taybull with minimal market presence and struggling to gain significant traction.

Figure 3: Market Share on The E-Commerce Platforms



Source: GCCPC

Based on the available data, 1Bena remains the dominant player in the e-commerce market with more than 90% market share in 2022 and 2023. However, there is a slight decrease in its market share in 2023, indicating a small loss to competitors, notably Waychit. Waychit entered the e-commerce market in 2023.

Market Concentration

In 2022, the Herfindahl-Hirschman Index for digital financial services was 2,825.71, placing it in the highly concentrated category (HHI above 2500). This indicates significant market power

concentrated among a few firms. By 2023, the HHI had surged to 5,851.60, further cementing the market's high concentration and suggesting an even greater dominance by fewer firms.

The zero-fee pricing of utility products, combined with extensive advertising, has allowed the monopoly to increase its market share. Consumers surveyed reported that convenience, service quality, and accessibility are the main reasons they prefer using the services of the major players. This has contributed to a high Herfindahl-Hirschman Index (HHI), indicating a highly concentrated market.

Figure 4: HHI OF Digital Financial Platforms

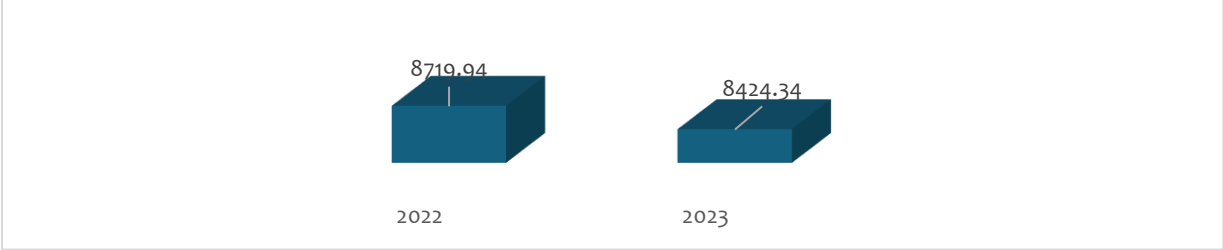


Source: Calculation GCCPC

The chart below illustrates the market concentration indexes of the e-commerce platforms for 2022 and 2023. The index shows that market concentration decreased from 8,719.94 in 2022 to 8,424.34 in 2023, indicating that the market is highly concentrated.

The absence of a payment gateway has led to increased transaction costs, contributing to a reduction in the Herfindahl-Hirschman Index (HHI), despite the market remaining highly concentrated with an HHI exceeding 2500. Interviewed consumers also cited the high cost of e-commerce transactions as a significant barrier to the sector's growth

Figure 5: HHI of E-Commerce Platforms



Source: GCCPC

COMPETITION CONCERNS

Restrictions on Cross Border Remittances within ECOWAS

Concerns have been raised by stakeholders about restrictions on cross-border peer-to-peer transactions via digital wallets within the ECOWAS market. Businesses operating in multiple ECOWAS countries have reported that cross-border peer-to-peer transactions are only possible within West African Economic and Monetary Union (WAEMU) countries rather than from non-WAEMU countries to WAEMU countries. For instance, digital wallets in the Gambia can remit money to Senegal but the reverse is not possible.

Lack of Competition Neutrality

Concerns about competitive neutrality in the fintech sector, particularly concerning the Central Bank of the Gambia's (CBG) relationship with Gamswitch. The CBG, which is the regulator of the fintech sector, owns 60% of the shares of Gamswitch. Gamswitch operates at different levels of the market, making the CBG a "referee-player" and thus, creating a potential conflict of interest for the bank. Some financial institutions have expressed concern that they could not file a complaint with the regulator against Gamswitch, as the two are considered as one and fear they could face hostility from the regulator.

Vertical Integration

Competition concerns related to vertical integration were raised, as all the GSM operators and microfinance institutions interviewed are simultaneously operating digital wallets. This integration raises potential barriers to entry as these entities might leverage network effects by linking telecom services with financial transactions.

Refusal to Deal

A percentage of 33.3% of the businesses interviewed claimed to have experienced refusal from at least one cellular company in the provision USSD and short codes. This highlights a potential

strategy employed by dominant firms to exclude competitor in order to maintain their position.

While 22.2% of the digital wallets interviewed have reported difficulties in accessing the necessary Unstructured Supplementary Service Data (USSD) from the GSM Operators to offer offline transactions to their customers. Access to offline transactions is necessary for digital wallets to provide service to consumers with limited or no internet connectivity.

Also, 11.1% of the DPFs interviewed raised concerns that some of the GSM companies are refusing to provide short codes to their competitors, even though they have been approved by the regulator, PURA.

Restriction on Multi-homing

In the digital wallet market, there are growing concerns about self-preferencing by GSM operators. Operators managing digital wallets offer certain products that can only be accessed through their digital wallets.

Lack of Interoperability

It is shown that 11.1% of the businesses interviewed highlighted lack of interoperability as a key factor affecting their growth.

According to the ministries and regulators interviewed, The Gambia currently lacks the infrastructure for interoperability. However, there are plans in place to upgrade the national switch (GAMSWITCH) to enable interoperability.

CONSUMER PROTECTION CONCERNS

Data Security

63% of e-commerce users raised concerns about the security of their data compared to 23% of DFP users. Data protection and security have become paramount concerns for consumers and consumer protection authorities in digital financial and e-commerce platforms.

Lack of Trust

It is revealed from the study that 24% of Digital Financial Platform users felt distrust in leaving funds in their digital wallets, this mainly due to low digital literacy and consumers dependency on the traditional way of transacting in cash.

Frequent Downtime of System

The study revealed that 29% of e-commerce and 10% of DFP users expressed frequent downtime as a major problem. Frequent downtime is a significant issue in digital financial and e-commerce transactions. Users face interruptions in their ability to perform critical activities such as making payments, transferring funds, or completing purchases which can lead to financial losses for customers.

Inaccessibility of Funds

The outcome of the study shows that 26% of DFP users face difficulties in accessing their funds. Consumers expressed inability to access funds at the branches of digital financial service providers as a critical issue that impact their trust and satisfaction. The barriers to access funds creates frustration and financial strain.

Poor customer service

The study revealed that 28% of digital financial platform users experienced poor customer service. Poor customer service poses a significant challenge which undermines consumer trust and satisfaction.

CONCLUSION AND RECOMMENDATIONS

Conclusion

The study revealed the existence of competition and consumer protection issues. These include regulatory barriers for market entry and refusal to deal with GSM operators operating

mobile wallets, not giving their competitors access to USSD and toll-free services to offline users. Conversely, false and misleading adverts, personal data and privacy, and lack of awareness were also highlighted as significant consumer concerns. The study also identified inadequate regulatory framework and adequate infrastructure (ICT and stable electricity) as major obstacles to growth in the digital markets. In this regard, the Commission in collaboration with relevant stakeholders shall take the necessary steps to address the abovementioned concerns.

Recommendations

Restrictions on Cross-Border Remittances

ERCA to investigate the alleged restriction of cross-border remittances by some Member States to facilitate digital trade within the community market.

Amendment of the Competition and Consumer Protection Acts

Amendment of Competition and Consumer Protection Acts to better cater to the realities of the ever-evolving digital market.

Competition Neutrality

To ensure impartiality, it is recommended that CBG divest its shares in Gamswitch and strengthen its role as a neutral referee to ensure a level playing field in the market.

Lack of Interoperability

CBG to collaborate with GCCPC, PURA, and other stakeholders to enhance competition in DFS through the promotion of interoperability of mobile money service providers and digital wallets as envisaged in the Recovery Focused National Development Plan.

Refusal to Deal and other Anti-competitive Conducts

GCCPC to collaborate with sectors to address conducts restricting competition in the relevant market.

Data and Privacy Act

There is a need to enact a Data Protection law to regulate the activities of businesses collecting sensitive data from consumers. Fast-tracking the adoption and implementation of cybersecurity and data protection legislation.

E-Commerce Regulations/Guidelines

Given the inadequate regulatory framework protecting consumers' rights in the digital market, a customized consumer protection e-commerce regulation/guideline to be put in place to strengthen these rights of consumers.

Lack of Knowledge, Awareness and Transparency

A significant lack of awareness and knowledge about the digital ecosystem by stakeholders, particularly regulators and consumers, is a cause for concern. There is a need for robust education and awareness creation.

CHAPTER 4: GUINEA BISSAU

INTRODUCTION

In Guinea Bissau, the National Competition Authority is the body in charge of competition. In this regard, the study was conducted by the Ministry of Trade and Industry, through the National Competition Authority, in collaboration with the Ministry of Transport, Telecommunications and Digital Economy, the National Regulatory Authority for Information and Communication Technologies (ARN), the Ministry of Finance and the Central Bank of West African States (BCEAO).

Digital Market in Guinea Bissau

Over the years, significant deficits in Guinea-Bissau's digital connectivity and a weak regulatory framework have hampered the development of its digital economy. Limited international connectivity has led to high prices for internet access and, in turn, low adoption. However, this is expected to improve with the operationalisation of the country's ACE submarine cable connection and link to the OMVG project entrance via a 33 km Suro-Antula fiber-optic backbone. This will complement the terrestrial fiber-optic backup routes established by private telecommunications operators to neighbouring Senegal and Guinea. The deployment of a national fiber-optic backbone will be necessary to spread international connectivity to the main cities and offer the necessary backhaul capacities to improve the quality and reliability of internet services.

The commitment of private players (mainly telecoms operators) is also needed to ensure unbridled advances in the digital sector. Since both ACE and the Suro-Antula backbone are owned and operated by SCGB (a PPP established under WARCIP), where telecoms operators hold the majority of shares (51 per cent while the government holds the remaining 49 per cent), the governance and financial stability of this entity are essential. The SCGB acts as a

lever to ensure private sector participation in the development of the sector and to guarantee fair and indiscriminate access to connectivity infrastructure.

POLICY, LEGAL AND REGULATORY FRAMEWORK

In Guinea Bissau, the main regulatory bodies and oversight institutions for the digital market are:

- The Ministry of Finance, is the government department responsible for formulating, proposing, coordinating and executing the government's policies on the management of state finances.
- This Central Bank of West African States (BCEAO/WAMU) acts as the Regulatory Authority for financial and banking sectors, which includes Digital Financial Platforms.
- The Ministry of Trade and Industry is also pivotal in the digital market, especially in relation to trade, its duties include implementing and promoting trade reform measures in accordance with government guidelines and international and community instruments;
- The National Regulatory Authority for Information and Communication Technologies is the Authority responsible for regulating, supervising, overseeing and imposing the relevant sanctions within the scope of the authorisation of information and communication networks and services, as well as related resources and services. Its duties include, ensuring the regulation, supervision and inspection of the information and communication technology sector in order to promote effective competition in the sector; and
- The Association of Consumers of Goods and Services of Guinea-Bissau (ACOBES) is a non-governmental organisation, with the objective of defending the legitimate rights and interests of consumers.

National Laws and Regulations

- Additional Act. A/SA.2/01/10 on electronic transactions in the ECOWAS area
- WAEMU Banking Regulation Law, Law No. 9/2008
- Regulation of Decentralised Financial Systems
- Regulation No. 15/2002/CM/WAEMU on Payment Systems in the Member States of the West African Economic and Monetary Union (WAEMU)
- Instruction No. 008-05-2015 Governing the Conditions and Modalities for the Exercise of the Activities of Electronic Money Issuers in the Member States of the West African Economic and Monetary Union (WAEMU) are applicable.

Policies and Plans

Telecommunications sector policy statement, contained in Decree No. 9/1999

Regional Laws and Protocols

- Supplementary Act A/SA.1/12/08 Competition Rules of the ECOWAS Regional Competition Authority
- AfCFTA Competition Protocol

Gaps in the Policy, Legal and Regulatory Framework

The Government adopted a Telecommunications sector policy statement, contained in Decree No. 9/1999, through which it liberalised the sector. Since then, Guinea-Bissau conducted its reform programme on the basis of opening up the telecommunications market to competition. However, from August 1999 to date, Guinea-Bissau has no other public policy or strategic plan in the telecommunications sector.

It is important to note that the legislation in force in the Information and Communication Technologies sector in Guinea-Bissau does not restrict competition, as determined by Article 9 of Law No. 5/2010 of 27 May 2010.

Article 116 of this law states that the ARN is responsible for ensuring fair competition, promoting competition in the provision of information and communications networks and services, and ensuring that there are no distortions or obstacles to competition in the information and communications technology sector. Notwithstanding the existing provisions on the promotion of competition, it is essential and urgent to reform the basic law, with a view to guaranteeing further enhancement of competition in the sector.

In terms of consumer protection, one of the main objectives of regulating this sector of information and communication technologies is precisely to defend the interests of citizens under the terms of this law. However the consumer protection provisions are inadequate and limited to fully protect consumers in the digital market. Thus, there is an urgent need to review and adopt the country's consumer protection law and policy and a specifically develop consumer protection regulation for the telecommunications sector.

MARKET STRUCTURE

The country's digital platforms are underdeveloped and the institutional coordination is weak. Guinea-Bissau lacks a digital transformation strategy that defines a strategic vision and programme to guide its ongoing digital transformation efforts. In addition, key laws and regulations on e-commerce, data protection and cybersecurity and electronic transactions, do not exist. Guinea-Bissau does not have a national interoperability framework, thus public sector systems are generally developed and operate in silos, and there is no national data center or shared platforms.

The use of mobile money has increased significantly in the last two years due to the temporary relaxation of regulations, but digital financial services (DFS) are still in their infant stage of development. Guinea-Bissau has a high number of mobile phone subscriptions (97 per 100 people), which has contributed to the gradual increase in DFS and, in particular, the use of

digital payment services: the country's financial inclusion rate stood at 56.9 per cent in 2020, almost reaching the WAEMU average.

Guinea-Bissau's digital business landscape is still in its embryonic stages. The country has been unable to attract significant investment from the national or international private sector due to major restrictions associated with poor telecoms infrastructure and access to public services, thus limiting funding opportunities for digital start-ups. Businesses looking to enter the digital age face constraints in terms of coverage, accessibility and reliability, as well as the limited digital skilled workers. The few digital start-ups that exist in the country are supported by a financial ecosystem made up of a small network of incubators. The country's legislative and regulatory frameworks must be updated to enable digital entrepreneurship, including reforms around consumer protection, intellectual property enforcement and e-commerce.

Main Players

Bank of West Africa - SA (BAO)

It is a commercial bank, with the participation of several shareholders and whose share capital (value of shares) corresponds to 10,000,000,000 (ten billion FCFA). It operates in the following areas of digital platforms: Digital financial platform, mobile money and mobile wallet, offering various products and services to its customers and with several branches throughout Portugal.

Ecobank Guinea-Bissau

It is a commercial bank, with several shareholders. It operates in the following areas: digital financial platform, banking application and money transfer application (remittance). It has agreements with other market players, including: EAGB: Contract for the sale of pre-paid energy via Ecobank's digital apps and Orange and MTN: Integration contract for remote banking and mobile money.

Orange Bissau SA

It is an operator of telecommunications networks and services, leader in the telecommunications market in Guinea-Bissau. Orange Bissau - SA operates in mobile money and mobile wallet, offering various products and services to its customers and with several mobile money deposit and withdrawal points throughout the country.

COMPETITION CONCERNS

Lack of Competition Law and Functional Body in Charge of Competition

Guinea Bissau does not yet have a competition law, however through technical assistance and support from WAEMU, it has been possible to draw up a draft competition law, but it still needs to be approved by the National People's Assembly (ANP) and then promulgated by the President of the Republic. There are also huge gaps in competition rules and consumer welfare in the Digital Market sector, hence the need to review the draft the existing framework and development of regulatory framework for consumer protection in digital market.

The country does not have an independent and functional National Competition Authority, Guinea-Bissau has a Competition Authority, created by Decree Law No. 04/2022 of 9 June 2022. However, this Authority is currently operating on a transitional basis, in the form of an Installation Commission and is facing various functional difficulties, due to technical, financial and human resources constraints

Lack of Competition Culture

There is a lack of competition culture generally, particularly in the digital market.

Barriers to Entry

Barriers to entry or exit and market expansion prevails, as businesses must present various requirements and meet stringent regulatory requirements in order to obtain a licence to operate or provide services or exit the market. The incumbents in the sector also have market power, as they are the most widely used services in the country and this also makes market entry somewhat difficult.

CONSUMER PROTECTION CONCERNS

Lack of Consumer Protection Law and Body in Charge of Consumer Protection

There is currently of no national consumer protection legislation or an independent public structure with competence in consumer protection, however, Guinea Bissau has a draft law on consumer protection financed by the ECOWAS Commission through the ERCA, but it has yet to be adopted.

Limited Consumer Awareness

There is poor consumer awareness, in terms of information and education about their rights and responsibilities; and there is also no strategy or public policy to protect and defend consumers.

Inadequate Disclosure

Consumers complained of experiencing unexplained and unjustifiable high fees, charges, terms and conditions without adequate disclosure.

False and Misleading Advertisements

Some of the businesses are alleged to be involved in false and misleading commercial adverts, misrepresenting their services, products, convenience and reliability when using the platforms.

Frequent System Downtimes

Frequent system downtimes are among the major concerns of consumers, especially when they urgently need to carry out transactions.

Need for Data and Cybercrime Laws

Consumers emphasized the urgent need to legislate and enforce personal data protection and cybercrime laws.

CONCLUSION AND RECOMMENDATIONS

Conclusion

This study of the e-commerce and digital financial platform markets in Guinea-Bissau has shown that the level of digital financial platforms is more advanced and organised, with a number of players, both public (regulators) and private, providing services with competition in the market. E-commerce, on the other hand, is at a much less developed level, due to a lack of sufficient education about the sector, poor organisation of the sector and problems with Internet network infrastructure. Internet network infrastructure problems are one of the crucial issues affecting the E-commerce and Digital Finance Platforms sector, especially in regions where high-quality Internet access is still limited.

With the effective implementation of the recommendations of the study, the Government will be able to create a favourable environment for the growth of the digital financial platforms and e-commerce sector, increasing competitiveness, improving quality of services and promoting greater financial inclusion. In addition, collaboration with the private sector and

civil society will be essential to ensure that the policies adopted are effective and respond to the needs of all market players.

Recommendations

Monitoring Competition

It is essential to strengthen the technical and financial competence of Guinea-Bissau's Competition Authority with regard to monitoring competition in the digital finance and e-commerce sector, periodically assessing prices and the quality of services offered, avoiding predatory or anti-competitive practices.

Establishing Innovative and Flexible Regulation

The government to establish a clear and agile regulatory framework and incentives that allows for innovation, research and development.

Strengthening Digital Infrastructure

This can be done by investing in internet infrastructure to ensure that all regions of the country, including remote areas, have access to digital financial services, the government must invest in high-quality and affordable internet infrastructure.

Promoting Interoperability

It is pivotal to promote interoperability between financial platforms, as it increases competition, improves services and gives consumers more choice and control over their financial data.

Enhance Consumer Protection

This can be attained through digital financial education, by implementing education programmes for both consumers and small and medium-sized entrepreneurs.

Strengthening Cyber Security

Create a robust cyber security policy that requires digital financial platforms to comply with strict data protection and fraud prevention standards. This includes mandatory certifications for platforms and active enforcement.

CHAPTER 5: LIBERIA

INTRODUCTION

Liberia is yet to have in place a body in charge of competition and consumer protection. In this regard, the study was conducted by the Ministry of Commerce and Industry through a lead consultant, in collaboration with the following Government institutions:

1. Central Bank of Liberia
2. Ministry of Finance and Development Planning
3. Ministry of Posts and Telecommunications
4. Liberia Institute of Statistics and Geo Information Services

Digital Market in Liberia

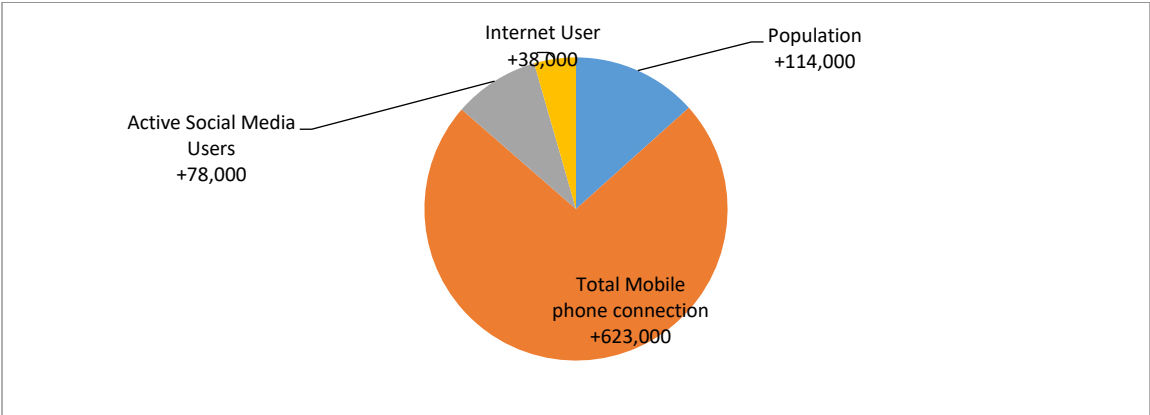
In Liberia, the digital market encompasses Banks, Mobile Network Operators, Fintech technology, and Social Media Platforms that are regulated by the Central Bank of Liberia, Liberia Telecommunication Authority, Ministry of Posts and Telecommunications and the Ministry of commerce and Industry.

Digital Financial Platform transaction in Liberia remains cardinal in enhancing local, regional and global economic activities. It has experienced significant growth over the years; most of these transactions are done through financial service platforms, social media, messaging apps via the use of smart phones and PC operating systems owned by various financial institutions and mobile operators.

On the other hand, e-commerce businesses in Liberia only serve as the medium through which e-commerce transactions are done.

Liberia is a home of 5.303 million people according to the 2022 National Census report. Up to January 2023, digital penetration in Liberia has made a significant gain. There were 1.80 million active internet users in Liberia as of January 2023, to enhance online financial platforms and e-commerce transactions. Penetration rate stood at 33.6 percent. There were 642,000 active social media users in Liberia as of January 2023, accounting for 12.0 percent of the population. A total of 4.20 cellular mobile connection were active in Liberia early 2023, accounting for 78.4 percent of the total population.

Figure 1: Trend of Digital Market Penetration in Liberia



Source: Ministry of commerce and Industry, Liberia

As indicated in the figure above, the trend of digital penetration in Liberia from 2021 to 2023 has significantly increased. This has also boosted the online financial platform and e-commerce sectors in Liberia.

POLICY, LEGAL AND REGULATORY FRAMEWORK

Businesses activities are being regulated by various legal tools in the digital market in Liberia. National institutions such as Liberia Telecommunication Authority, Central Bank of Liberia, Ministry Commerce and Industry, Ministry of Post and Telecommunication, Liberia Revenue Authority, Ministry of Finance and Development Planning etc., use their legal tools to regulate businesses in Liberia.

National Laws and Regulations

- The Central Bank of Liberia Amended Act, 2020
- Digital Credit Guidelines Act, 2022
- Cybercrime Act, 2021
- Telecommunications Act, 2007
- Anti-money Laundering, Terrorist Financing, Preventive measures, and proceeds of Crime Act of Liberia, 2022
- Regulations Concerning Consumer Protection and Market Conduct Act, 2020
- Consumer Code of Protection

Regional Laws and Protocols

- Supplementary Act A/SA.1/12/08 Competition Rules of the ECOWAS Regional Competition Authority
- AfCFTA Competition Protocol

Gaps in the Policy, Legal and Regulatory Framework

The study revealed substantial overlaps and lapses among Government institutions, as it relates to monitoring, supervision, and regulation of the digital platforms. The study revealed lack of adequate co-operation and collaboration in the market, as the functions of regulatory and policy institutions are conflicting with each other. The digital space is crowded with bureaucratic supervisory institutions which may discourage enterprises and limit market entries.

The study revealed that most of the policy and legal frameworks were based on traditional business operations. There is an urgent need for up to date competition and consumer protection laws, and establishment of a body to enforce these laws, as this will ensure

promotion of competition and enhanced the welfare of consumers in the digital market in Liberia.

MARKET STRUCTURE

The study covered nine (9) different enterprises providing digital financial services for various transactions and serve as a gateway to facilitate e-commerce transaction throughout Liberia. They provide a variety of services which includes, Internet Banking Services, Agency banking services, Mobile Money, Prepaid Visa card, Bank to Wallet, Mobile Applications, Chat Banking, POS, and ATM –MasterCard; Online Search Platforms, e-commerce website such as Alibaba, Amazon, Automated Clearing House, etc. are considered as formal sector of the industry. In addition, WhatsApp Facebook, are mostly used by unregistered merchants to sell their respective products and services.

Market Sub-Sectors and their Characteristics

Mobile Money Applications

LoneStar mobile money and Orange money are the two main digital financial platforms used by significant amount of consumers to transact all across Liberia. These platforms are used for transactions like, buying LEC Tokens, paying for groceries, school fees, WAEC, payment of civil servants, microfinance institutions use it for loans and many more.

Internet Banking

This digital platform is used to facilitate online transactions, however it is not interoperable.

Visa Card, Debit Card and ATM Card

These platforms are provided by various financial institutions including banks, to their customers for ease of buying and selling while also providing a gateway for e-commerce

transactions. These Platforms are interoperable. It is used to facilitate various transactions across business entities.

COMPETITION CONCERNS

Policy, Legal and Regulatory Framework

The study revealed that there exist gaps in the institutional framework to sufficiently monitor issues concerning competition and consumer protection., such as, no established independent competition authority in place .

Entry Barrier

The study revealed that businesses operating in Liberia go through challenges in terms of market entry. It was also revealed that some businesses in the country are faced with an entry barriers ranging from capital requirement, political interest, bureaucratic processes, etc.

The large capital requirement set out in the Central Bank of Liberia Act of 2020, may discourage competition in the banking sector. This may promote market dominance allowing only financially viable enterprises to continue raising the cost of their products at the expense of the consumers.

Lack of Interoperability

Interoperability is an issue in the Liberian digital market as the products and services are mostly not interoperable, which is a main competition concern. This situation averts consumers from doing transactions across digital platforms. For instance, Orange Money Liberia cannot do business across MTN Liberia Mobile money. 16% of the respondents agreed this finding.

CONSUMER PROTECTION CONCERNS

Online Scam

Consumers complaint of the threat of online scams while carrying out online transactions. 30% of the consumers raised this as a concern. The Liberia Cybercrime Act of 2021 provides an effective and unified legal, regulatory and institutional framework for the prohibition, prevention, detection, prosecution and punishment of cybercrimes in Liberia.

Return Policy

The study revealed that 40% of consumers of the digital platforms complained of the difficulties regarding returning products purchased online that did not meet satisfaction.

Frequent Downtime of Systems

Frequent downtime of systems is amongst the main concerns from consumers (17%). This situation discourages consumers especially when in dire need to carry out transactions.

Growth Barrier

Low internet penetration, low consumer education about the digital platforms, and the refusal of consumers to transition from the traditional market to digital market is a serious barrier to growth in the digital in Liberia. This was confirmed by 19% of the consumers.

CONCLUSION AND RECOMMENDATIONS

Conclusion

The study highlighted key competition and consumer protection concerns which range from business practices to the regulatory framework. It is pivotal that laws are put into place to adequately handle the competition and consumer protection issues within the sector.

Recommendations

Competition and Consumer Protection Authority

Government to establish Competition and Consumer Protection Authority that will be independent of the Ministry of Commerce and Industry and other government entities, with the mandate to ensure competition and consumer welfare across businesses in Liberia.

Interoperability

Relevant Government entities to make it mandatory for businesses to make their products or services be interoperable in order to enhance competition and consumers welfare.

Legal and Regulatory Framework

It is recommended that there should be an effective legal and regulatory framework for the digital financial platforms and e-commerce sectors to be competitive and consumer oriented.

Consumer Education

The Government to include e-commerce and online financial platform education in our education system. It should cover from junior high level to college level education.

CHAPTER 6: NIGERIA

INTRODUCTION

In Nigeria, the body in charge of competition and consumer protection is the Federal Competition and Consumer Protection Commission (FCCPC). The FCCPC in carrying out this study, collaborated with the Nigerian Data Protection Commission (NDPC) and the National Information Technology Development Agency (NITDA).

Digital Market in Nigeria

A key regional player in West Africa, with a population of over 200 million, Nigeria accounts for about 47% of West Africa's population. Nigeria is at the forefront of digital transformation in Africa. The digital market in Nigeria has witnessed substantial growth in recent years, fueled by a population of over 200 million people and a rising internet penetration rate.

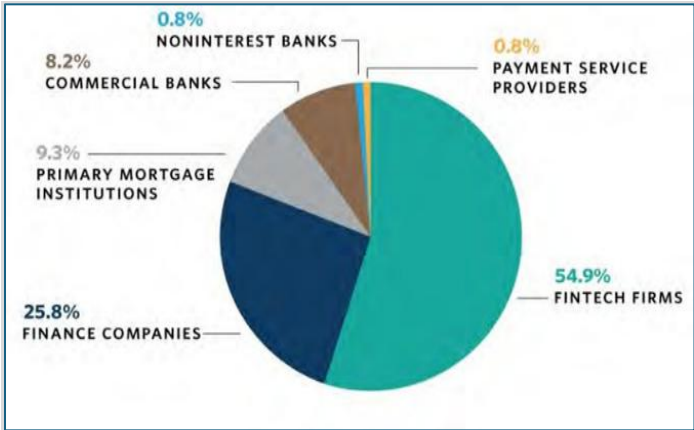
A report by GlobalData revealed Nigeria as Africa's undisputed real-time and digital payments leader. According to this report, Nigeria recorded 3.7 billion real-time transactions in 2021, ranking 6th in the league table of the world's most developed real-time payments markets, behind India, China, Thailand, Brazil, and South Korea. The extensive adoption of new digital and real-time payment services in Nigeria contributed an additional \$3.2 billion to the economy in 2021, equating to 0.67% of the nation's GDP.

In 2026, real-time transactions are forecast to rise to \$8.8 billion, a 5-year CAGR of 18.6%. This will help unlock \$6.6 billion of additional GDP in 2026, representing 1.01% of the country's GDP. This places Nigeria 4th among the world's economies in terms of realizing the maximum economic benefits from real-time payments.

Digital financial platforms in Nigeria encompass a wide range of services, including digital banking, mobile money, Insurtech, asset management, digital lending, blockchain, online stock trading, and other financial services facilitated through technology. Rapid technological

innovation, a burgeoning internet user base, and a growing inclination toward digital solutions for both commercial and financial transactions continue to shape this landscape.

Fig 1: Breakdown of subsectors in the financial sector



Source: GlobalData

In 2021, Nigeria was the 7th largest market for e-commerce in Africa, with revenue of US\$6.4 billion. The state of the e-commerce sector is highlighted by the impressive revenue of US\$6 Trillion in 2023, and projected revenue of \$8.53 billion in 2024 indicating a rapidly expanding market.

Go-Globe, in their study titled “E-Commerce in Nigeria: Growth and Future Trends” highlighted that Nigeria's e-commerce is expected to outperform the global average of 10%, having a yearly growth rate of 12% between 2021 and 2025, with projections estimating it to reach US\$ 75 billion by 2025. [2] In 2027, the e-commerce sector of the Nigerian economy is projected to have a market volume of \$14.06 billion.

Similarly, according to Statistica.com, the largest market in the fintech subsector is digital investment with assets under management (AUM) of US \$70.50 million in 2024; the average AUM per user in the digital asset market is projected to amount to US \$11.61 million in 2024, with the digital asset market expected to show a revenue growth of 26.50% in 2025. On the other hand, the number of users in the digital payments market is expected to amount to US \$82.09 million by 2028.

POLICY, LEGAL AND REGULATORY FRAMEWORK

The Nigerian digital market is regulated by several regulations, laws, and authorities. These include the Nigerian Communications Act (NCA) 2003, the Nigeria Data Protection Act (NDPA) 2023, the Federal Competition and Consumer Protection Act (FCCPA) 2018, the National Information Technology Development Act (NITDA) 2007, and the Banking and Other Financial Institutions Act (BOFIA), 2020 among others. These regulations provide protection for consumers, ensure healthy competition amongst businesses, and maintain technological standards in the digital market.

National Laws and Regulations

- Federal Competition and Consumer Protection Act (FCCPA)
- Banking and Other Financial Institutions Act (BOFIA)
- Nigeria Data Protection Act, 2023 (NDP Act)

Policies and Plans

- Nigerian Information Technology Policy
- Nigeria's Digital Economy and Policy Strategy (NDEPS)

Regional Laws and Protocols

- Supplementary Act A/SA.1/12/08 Competition Rules of the ECOWAS Regional Competition Authority
- AfCFTA Competition Protocol

MARKET STRUCTURE

Given the high number of market participants in the digital market (e-commerce and fintech), the Nigerian digital market space is demonstrably fragmented, where consumers are likely to

have more choices, better quality, and are exposed to increased innovations. In addition, there is a high chance that there are limited barriers to entry, as market participants are unable to act in a manner without taking account of the reactions of their customers, and competitors. In essence, new entrants can be innovative and restrain the potential excesses of the incumbent participants.

The Nigerian digital market with respect to e-commerce and fintech, reflects the growing maturity and attractiveness of Nigeria's tech ecosystem, with increased foreign and local investments driving growth. For instance, in 2023 alone, there were 217 fintech start-ups in Nigeria; compared to the previous years, the number of start-ups in this sector experienced an increase. Nigeria has, in fact, some of the highest amounts of fintech start-ups in Africa. According to a Disrupt Africa report, Nigeria accounted for nine (9) fintech start-ups acquisitions, as reportedly become the home for the flagship fintech acquisitions in recent years. This demonstrates a certain level of ease of entry.

Jumia and Konga dominate the Nigerian e-commerce market with their extensive product range, pan-African presence, robust logistics and diverse offerings respectively. In 2021, they collectively held a substantial share of 49.6% in the market. Other notable players include Jiji, Slot, and PayPorte which hold significant shares in the market.

The fintech sector features several players, including but not limited to Interswitch (with a valuation of over a billion US dollars), and Moniepoint (which the Financial Times recognizes as the second fastest-growing company in Africa). In recent years, the third wave of fintech companies in Nigeria has witnessed the rise of new-banks competing traditional institutions. Kuda, Carbon, Rubies Bank, and ALAT by Wema Bank, redefine banking by simplifying access and operating without physical branches. These neobanks contribute to financial inclusion by offering convenient digital services.

The e-commerce market has not been left behind, seeing new entrants such as Indrive, Glovo, and Autocheck. To analyse the e-commerce sector of Nigeria, it is noteworthy that despite the dominance and increasing range of established entrants like Jumia and Konga, the sales of products and services via social media platforms such as Instagram, Tiktok, Facebook, WhatsApp, X (formerly known as Twitter), etc. have drastically increased in the last few years.

The majority of e-commerce users in Nigeria fall within the young adult age group of 18-35 years. They are tech-savvy, value convenience, and are quick adopters of new technologies and shopping trends. The age group of 13-17 years is also emerging as a significant user base, particularly for fashion, electronics, and entertainment products. The middle-aged segment of the Nigerian market also uses e-commerce for convenience and access to a wide range of products. Accordingly, the digital market ecosystem in Nigeria, records increased ease of entry, with respect to timeliness, likelihood and sufficiency. For instance, it takes a few minutes to set up a business page on Instagram and most other platforms or social media markets.

COMPETITION CONCERNS

While innovation in the Nigerian digital sector has driven exponential growth over the years, it simultaneously introduces new challenges that necessitate the development of new, critical and non-traditional strategies. Some of the several competition issues that pose substantive challenges to the regulation of the sector include:

Fluidity of the Market

The fluidity of the Nigerian digital market presents several competition challenges that are particularly difficult to manage. Regulatory frameworks and traditional methods of investigations, which are time-consuming and rely on static business operations models, struggle to keep pace with the market's rapidly changing and dynamic nature, where businesses frequently evolve, merge, or integrate new technologies. The primary issue is the time-consuming investigative process, in essence, by the time the investigation concludes, the market may have tipped, making it difficult if not impossible or impractical to make any changes to the market.

These challenges highlight the need for innovative regulatory strategies to address the unique demands of a fluid and rapidly evolving digital market. Regulatory authorities must adapt to these changes to enforce fair competition and protect consumer interests. The solution to these challenges is not necessarily ex-post regulation (reactive) but ex-ante regulation (proactive).

Network and Lock-In Effects/Switching Cost

As a result of the increase in the value of services, consumers tend to get used to certain services, creating a strong dependency among consumers and leading to a "lock-in" effect. Switching to a different payment processor would involve significant effort, including reconfiguration of their payment systems, interoperability issues, and potentially facing disruptions in payment processing during the transition, leading to high switching costs and complexities for businesses that intend to move away from one payment provider to another. 35.6% of consumers emphasized interoperability as a factor in choosing digital platforms, further highlighting how businesses often synchronize with other platforms and contributing significantly to consumer choice.

CONSUMER PROTECTION CONCERNS

Cybersecurity and Data Privacy Challenges

52% of respondents expressed dissatisfaction with their experiences on digital platforms, pointing to the frequent issues of downtime, security risks, and overall unreliability of service and thus, corroborating with a 2023 survey by PWC which states that 47% of people globally are concerned about online privacy.

With respect to data privacy, there is now a high level of abuse of the data collected by data controllers. In the digital market, data is the new price. This has led to increased demand for personal data and conversely also led to data privacy degradation. In essence, businesses have taken advantage of consumers' ignorance and lack of assertiveness, to demand excessive data; precisely because this overcollection of data means consumers cannot give proper consent leading to harmful consequences.

Disclosure and Transparency Issues

According to the study, 28.9% of respondents only learned about fees after completing their first transaction, and 8.9% were never informed. This lack of upfront communication

demonstrates how businesses fail to disclose key information, leaving consumers exposed to hidden fees and unfair terms.

From the above, the challenge is not only with respect to how terms and conditions are communicated to consumers but also with the lack of negotiating powers by consumers, poor reading culture, low level of assertiveness, and insufficient enforcement activities.

CONCLUSION AND RECOMMENDATIONS

Conclusion

This study offered a review of the digital market in Nigeria, emphasizing important issues related to consumer protection and competitiveness of the digital market. The study highlights that although the digital economy has undergone tremendous development and innovation, the market is also complex and needs strong and adaptable regulatory responses which can be achieved by taking into consideration market dynamics in promulgating new laws.

Recommendations

Single Digital Economy Regulatory Framework

Establishment of a single Digital Economy Regulatory Framework akin to the European Union Digital Markets Act to address the diverse challenges across the fintech and e-commerce sectors under a cohesive regulatory structure.

Strengthen of Cybersecurity

Development and implementation of stronger regulatory frameworks for cybersecurity including mandatory multi-factor authentication, end-to-end encryption, and secure coding practices.

Effective enforcement of consumer protection laws and regulations

There is need for improved enforcement of already existing consumer protection laws and regulations such as the FCCPA, 2018. In addition, there should Consumer Protection Regulations for the e-commerce sub-sector.

Increased advocacy and awareness creation

Increased consumer advocacy to educate and create awareness on the rights of consumers and statutory obligations of businesses pursuant to the FCCPA, 2018. Public outreach programs targeted awareness campaigns, and consumer education be incorporated into the broader regulatory strategy.

CHAPTER 7: SENEGAL

INTRODUCTION

In Senegal, the study was carried out by its Ministry of Commerce in collaboration with Telecommunications and Postal Regulatory Authority (ARTP), the National Statistics and Demography Agency (ANSD) and the National Central Bank.

Digital Market in Senegal

The e-commerce sub-sector in Senegal is steadily growing, as e-commerce sites are increasing, mainly in Dakar, the capital. This is as a result of a growing internet penetration rate, which rose from 74% in 2019, 97.12% in 2022 and 110.11% in 2023. This indicates strong internet adoption in the country, due to the expansion of mobile services. The e-commerce market in Senegal has a forecasted growth rate of 11.9% per year between 2025 and 2029. Although specific data on the total size of the market in Senegal is not available in the excerpts, this indicates positive expansion in this sector.

The continued innovation by the local and international companies in Senegal, through the increased in internet penetration and the use of smartphones will provide better products and services to the consumers, reinforcing the sector's growth.

In Senegal, using the Internet has become an indispensable part of everyday life. With over 17 million inhabitants, the penetration rate is 99.03%. This growth is mainly as a result of:

- relatively affordable smartphone acquisition costs;
- broadband Internet access (4G, 3G, fiber optics, ADSL, etc.), and
- the very young population (average age: 18).

In terms of the digital financial platforms, the sub-sector is booming in Senegal. From money transfers and payments to banking infrastructure, savings and insurance, solutions that

combine finance and digital technologies are being well received by the population, a large proportion of whom are excluded from the traditional banking and financial system.

Given the low rate of bank penetration, start-ups specializing in digital finance services have sprung up with effective solutions. Helped by a mobile penetration rate of 114.21%, according to the Observatory for Mobile Telephony from the Telecommunications and Posts Regulatory Authority (ARTP).

The digital financial sector in Senegal is developing at a rapid rate. The sector is highly attractive, and Senegal boasts no fewer than 24 start-ups specializing in this area of work. As a result of this dynamic ecosystem and the support of the government, Dakar has risen to ninth place in the Global FinTech Index 2020 ranking of African cities, attracting more and more investors. A large number of funds have been raised. In 2021, WAVE raised the largest Series A capital ever for a fintech operating exclusively in Africa, to the tune of \$200 million (132,026,460,000 CFAF). Following this investment, WAVE is now valued at \$1.7 billion.

POLICY, LEGAL AND REGULATORY FRAMEWORK

In Senegal, several bodies are involved in the digital market. These include the Ministry of the Digital Economy, the Ministry of Trade, the Telecommunications and Postal Regulatory Agency (ARTP) and consumer protection bodies such as the:

- Ministry of Digital Economy;
- Ministry of Trade;
- Ministry of Finance
- Central Bank
- Telecommunications and Postal Regulatory Authority; or the
- Data Protection Commission

National Laws and Regulations

- Law No. 2001-15 of 27 December 2001 on the Telecommunications Code;
- Law No. 2002-23 of 4 September, 2002 establishing a regulatory framework for public service concession companies;
- Law No. 2004-10 of January 27, 2004 creating a Cyber village;
- Law No. 2001-15 of 27 December on the Telecommunications Code;
- Law No. 2008-08 of 25 January, 2008 on electronic transactions;
- Law No. 2008-10 of 25 January, 2008 on the information society;
- Law No. 2008-11 of 25 January, 2008 on cybercrime;
- Law No. 2008-12 of 25 January, 2008 on the protection of personal data;
- Law No. 2008-41 of August 20, 2008 on cryptology;
- Law No.2008-46 of 3 September, 2008 instituting a fee for access to or use of the public telecommunications network (RUTEL);
- Law No. 94-63 of 22 August, 1994, on prices, competition and economic litigation;
- Law No. 2021-25 of 12 April, 2021 on prices and consumer protection.

Regional Laws and Protocols

- Supplementary Act A/SA.1/12/08 Competition Rules of the ECOWAS Regional Competition Authority
- AfCFTA Competition Protocol

MARKET STRUCTURE

The e-commerce market is characterized by several dynamic sub-sectors, including retail, delivery services and payment platforms. Senegalese consumers are showing a growing interest in online shopping, particularly in the fashion, electronics and food categories. However, it is important to note that while the sector is booming, there are still challenges to be addressed.

Senegal is one of the countries in French-speaking Africa where digital technologies are having a huge impact on the economy. Senegal is a haven for e-commerce, with a genuinely huge offering. Indeed, the e-commerce market is driven by a number of players such as:

- Stakeholders of e-commerce B to B (ex Gaindé 2000);
- B-to-C e-commerce players: (ex-Jumia and C-Discount);
- Stakeholders of e-commerce C to C: (ex Expat Dakar);
- E-commerce platform: (ex Soumari.com);
- Third Party vendors: Federation of e-traders of Senegal;
- Fintech players: (Touch Group; Paydunya);
- Delivery agents: (formal or informal structures using most motorcycles);
- Consumers.

A study carried out by the Gynako agency reveals the 32 most frequently visited sites for the year 2021, as shown below:

Table 1: Number of monthly site visits

Name of Business	Expat Dakar	Jumia	CoinAfrique	Jumia Deals	AuchAn	Decathlon	Fabella shop	Discount Senegal	Promo
No. of visits monthly	135 000	60 500	22 200	14 800	5 400	3 800	3 600	880	880

Source: Ministry of Industry and Trade, Senegal

The e-commerce market is booming in Senegal. Transactions are growing by more than 10% every quarter. At this rate, growth should exceed 75% in the near future¹. This positive outlook was revealed in a report by Kaymu, one of Africa's leading online shopping operators. The study was conducted by the Senegalese subsidiary Kaymu.sn.

In relation to digital financial platforms, the table below shows information on the annual sales and number of transactions for each of the digital financial platforms, for 2021, 2022 and 2023 can be summarized as follows:

Table 2: Market shares of players operating digital

Company Name	Year	Sales	Number of transactions
OFMS	2021	23, 931, 840, 763	538 222 290
MOBILE CASH		1, 054, 023, 519	796 090
WAVE	2022	81, 459, 718, 654	156 659 482
OFMS		22, 871, 816, 510	535 952 874
MOBILE CASH		1, 187, 464, 209	
WAVE	2023	108, 248 ,452, 981	
OFMS		27, 513, 764, 514	527 852 516
MOBILE CASH		1, 816, 532, 744	

Source: Ministry of Industry and Trade, Senegal

The market for digital financial platforms is one of the most dynamic in Senegal, with transactions in billions on a daily basis. Long dominated by the forerunner Orange Finance Mobile Senegal (OFMS), this market has undergone a notable upheaval with the arrival of

¹ Report by Kaymu.sn

Wave Digital Finance. Wave Digital Finance's finely-honed strategy has won over the hearts of the Senegalese people, relegating OFMS to second place.

Over the last few years, the mobile money market has been completely dominated by the operator WAVE, which since 2022 has never ceased to excel in terms of offerings and customer loyalty. It has completely revolutionized the digital financial platforms sector. By opting for an aggressive policy of very low 1% or free commission fees, it has dramatically transformed the world of mobile money, attracting thousands of customers.

The incumbent operator, Orange Finance Mobile Senegal, has seen its popularity and sales plummet in record time, due to WAVE and its innovative strategies and platform. By opting for an easy-to-use platform, a transfer rate set at 1%, free payment for certain services and free withdrawal of money from its WAVE account, WAVE has won over the Senegalese people, who have adopted it to help it grow. OFMS has even reduced the transfer rate to 0.8%, but still remains relegated by the Senegalese consumers.

The other players, E-money and Free money, are not yet issuers of electronic bills, but are participating in the development of mobile money in Senegal. They are less popular than WAVE and OFMS, but remain important players in the sector.

COMPETITION CONCERNS

High market power

The study revealed that Wave has high market power given its significant market share compared to its competitors and this may be a cause for concern. However, the positive aspect is that this dominance has led to competitors making greater efforts to stay competitive and Senegalese consumers are benefiting in this fight for market share. Since the arrival and dominance of Wave, the former incumbent, OFMS first lowered its transfer costs from 10% to 1%, then from 1% to 0.8%. This is the rate it currently applies as a result of competition in the market.

Other players who do not issue electronic bills, such as E money and Free money, have also set their transfer fees at 1%. They also play an important role in establishing effective competition in the relevant mobile money market. Fintechs are also making a significant contribution to diversifying the range of digital financial services on offer at highly competitive rates. Consumers now have a wide choice of options for satisfying any need, which is highly beneficial for the sector.

Urgent issues to be addressed to enhance competition

There are a number of challenges that need to be tackled if the digital financial platform sector is to be reorganized to ensure greater competition. Some of which are highlighted below:

1. Refusal by an Electronic Money Institution to connect to the APIs of an electronic communications operator⁴;
2. A restriction on the sale of airtime credit by an electronic money institution through an electronic communications operator;
3. The opening of the operator's Whitelisting service;
4. The problem of portability: digital financial service applications are no longer available to the consumer, who is thus harmed;

The interoperability of the Digital financial platforms should be noted, however, that the BCEAO has just launched the pilot phase of the West African Economic and Monetary Union's (WAEMU) interoperable instant payment system, as of 22 July, 2024. BCEAO's aim is to set up an interoperable instant payment system, operational 24 hours a day, seven days a week, capable of handling all types of transactions, whatever the account type.

CONSUMER PROTECTION CONCERNS

Improvement of security of digital platforms

Consumers raised concerns that the security system of the digital financial platforms are often weak and subject to fraud. Thus, improving the system's security is therefore an urgent necessity.

The problem of cybercrime was also revealed by the study given the numerous scams and attempted scams of which users of digital platforms are victims.

Catering for consumer interests

The vast majority of consumers raised the need for a better inclusion of their interests and protection, in the digital market.

CONCLUSION AND RECOMMENDATIONS

Conclusion

The study has revealed that the sector is growing exponentially, mainly facilitated by easy access to the internet and a diversity of service providers. Consumers, for a variety of practical and economic reasons, are exploring online sales sites to meet their needs.

However, for the sector to further develop, it needs more support in terms of robust regulatory framework including consumer protection. The challenges of internet access, consumer awareness and transactional issues also need to be addressed.

In terms of the digital financial platforms, mobile money has become fashionable due to its simplicity and accessibility. The intensified competition between the digital financial platforms has enhanced the welfare of consumers in the digital space.

The sector nevertheless faces a number of challenges that need to be addressed. Cybersecurity and the protection of the personal data of a growing number of users also

remain a major concern for consumers. The sector's inadequate regulatory framework also remains a challenge to be addressed.

Recommendations

Establishment of a National Competition Authority

There is an urgent need for the establishment of a National Competition Authority in Senegal, as cross-cutting problems often arise in the sector, where several government authorities with limited powers on the subject matter are involved.

Update of legal and regulatory framework

There is an urgent need to update the legal and regulatory framework to better cater for the evolving digital market, and adequately protect consumers and promote competition especially in terms of interoperability.

CHAPTER 8: SIERRA LEONE

INTRODUCTION

In Sierra Leone, there exists an independent body in charge of consumer protection, which is the National Consumer Protection Commission. However, the country is yet to have a competition law in place. The Commission conducted the study in collaboration with the Ministry of Trade and Industry, Ministry of Finance, Ministry of Communication, Technology and Innovation, The Ministry of Information and Civic Education, The Central Bank of Sierra Leone and National Telecommunications Authority.

Digital Market in Sierra Leone

Digital penetration and digital use for financial transactions in Sierra Leone is on the increase. The total population of about 8.88 million people. Over 1.02 million of the Sierra Leonean population actively use social media to transact basic items, and about 8.23 million people of the population uses mobile phones connections.

Electronic commerce or e-commerce is still at an early stage of development in Sierra Leone. Nearly all transactions are carried out in cash. However, the trend is changing as mobile money platforms supported by mobile phone companies are becoming more popular. Information and Communication Technology infrastructure is generally inadequate and even the use of debit or credit cards is highly limited. There is a growing demand for online goods, but those who shop online pay a premium for delivery with the few existing e-commerce platforms. At the time of the study, no local business entity owned an e-commerce platform, but rather global the use of global platforms.

Digital Financial Platform transaction in Sierra Leone has experienced significant growth over the years; most of these transactions are done via financial service platforms, social media, messaging apps through the aid of smart phones and PC operating systems owned by various business entities.

POLICY, LEGAL AND REGULATORY FRAMEWORK

The National Consumer Protection Commission in Sierra Leone is specifically charged with the responsibilities of monitoring unfair trade practices, both physical and online and promoting and protecting the interest of consumers.

The Ministry of Finance regulates, supervises, and monitors businesses or enterprises in the e-commerce and digital, financial platforms through the Central Bank of Sierra and the National Telecommunication Authority. In short, the Ministry of Finance deals with policy formulation and implementation of such policy directives are done by other regulatory bodies.

The Ministry of Communication, Technology, and Innovation is a new Ministry transformed from the former Ministry of Information and Communication. Previously, the Ministry of Information and Communication was directly supervising national telecommunications and monitoring all mobile network operators. This mandate has now been shifted to the Ministry of Communication, Technology and Innovation working through the National Telecommunications Authority. During the study, the Ministry of Communication, Technology and Innovation had no department directly dealing with e-commerce and digital financial platforms.

National Laws and Regulations

- Consumer Protection Act, 2020
- The Bank of Sierra Leone Act, 2019
- Electronic Transaction Act, 2018
- National Telecommunication Act, 2022
- Cybersecurity and Crime Act, 2021
- National Payment System Act, 2022

Policies and Plans

- Guidelines on Money Remittance and Guidelines for e-Money Issuers

Regional Laws and Protocols

- Supplementary Act A/SA.1/12/08 Competition Rules of the ECOWAS Regional Competition Authority
- AfCFTA Competition Protocol

Gaps in the Policy, Legal and Regulatory Framework

For effective promotion and protection of consumer interests there should be in place a competition law, which provides the establishment of an authority with clear mandates for implementation and enforcement of the Law. However, the current established Consumer Protection Authority lacks the legal mandate to enforce competition hence the prevalence of unregulated market dominance and its related consequences on consumers in Sierra Leone.

The legal and regulatory analysis of the study revealed that there are significant lapses and overlaps of major institutions especially in terms of monitoring, supervision, and regulation of the digital market sector where Ministry of Communication, Technology and Innovation, is charged with the responsibilities to supervises digital related activities, including Banks and other financial institutions by way of default and the Bank of Sierra Leone and National Telecommunication also do supervisory roles thereby making the market space suffocated with too many report-lines, with inadequate coordination and collaboration. This may affect competition and consumers as there is too much bureaucracy, making it difficult for stakeholders to know which body to report on specific issues faced within the sector.

MARKET STRUCTURE

The digital market structure in Sierra Leone comprises Local and International Banks, Fintech services, Mobile Network Operators and Social Media Platforms. Sierra Leone presently have eleven (11) different business entities providing financial service platforms for various transactions, a number which is disproportionate to the country’s economic strength and the consumer population. Of the eleven businesses, all of them provide digital financial services and gateways for e-commerce transactions. They provide a variety of services which includes, Mobile Money, Sim Korpor Plus, Internet Banking Services, Agency banking services, Prepaid Visa card, Bank to Wallet, Mobile Applications, Chat Banking, Aricash, POS, ATM –MasterCard, In terms of e-commerce, online search platforms, e-commerce website (Alibaba, Amazon etc.) and ACP/ACH /RTGS deal in the formal sector of the industry. Whilst Facebook and WhatsApp are mostly used by informal vendors to sell their respective products.

Table 1: Digital platforms

No	Types of Digital Platforms	Nature Of Their Products and Services
1	Visa, Debit, ATM and POS cards	e.g. Provide platforms between customers and product suppliers or marketers
2	Mobile Money	e.g. Afrimoney and orange money provide platforms between customers and companies
3	Mobile Applications	e.g. Provides platforms between companies and customers
4	Sim Korpor Plus	e.g. Provides platforms between customers and companies
5	Internet Banking	e.g. Connect customers and companies for various transactions.

Source: Ministry of Trade and Industry, Sierra Leone

COMPETITION CONCERNS

Legal and Regulatory Framework

The study revealed that there exist huge gaps in the institutional framework to adequately monitor issues concerning competition. At the time of the study, laws and policies to address

anticompetitive practices by businesses and to promote competition were inadequate to a very large extent. There is no specific law or institution with a statutory mandate to deal with uncompetitive market practices in general. The absence of a competition law is a major concern, as businesses can freely initiate platforms without due consideration to implications on competition principles and consumer welfare.

Political Interference

The instability and constant political interest in the sector are affecting competition generally. Except for foreign banks, Government of Sierra Leone has shares in major banks and businesses, and thereby making the sector prone to issues of competition neutrality.

Entry Barrier

The study revealed that almost every enterprise in the country is faced with a unique or common entry barrier ranging from capital requirement, political interest, and bureaucratic processes involved. Specifically, the large capital requirement stipulated in Banking Act of Sierra Leone 2019 discourages market entrants in the sector. This enables anticompetitive practices allowing only financially viable enterprises to continue raising the cost of their products at the expense of consumers.

Lack of Interoperability

Interoperability of the various products/services provided remains a major competition issue. This situation prevents consumers from making transactions across platforms.

CONSUMER PROTECTION CONCERNS

High and Unexplained Service Charges

A whopping percentage (70%) of the consumers (15%) of businesses, regulators 10% and 5% of Ministries surveyed complained of high and unjustifiable fees and charges being levied on

their accounts. Consumers also complained that most of these fees and charges are not fully explained at the beginning until after completion of several transactions.

Levying high charges on consumers without an explanation or not providing them with sufficient information is a violation of the Consumer Protection Act, Section 61(a-k). which emphasizes on businesses *“Failure to adequately display consumer-relevant information in plain and understandable form.”*

False and Misleading Advertisements

Some businesses are alleged to be engaged in false and misleading advertisements as they misrepresent their products and services. These constitute a violation of section 51 of the Consumer Protection Act, 2020.

Frequent Downtime of The System

Frequent downtime of the system is amongst the major concerns of consumers. This situation inconveniences consumers especially when in dire need to carry out transactions.

CONCLUSION AND RECOMMENDATIONS

Conclusion

The study has revealed diverse issues ranging from competition and consumer protection concerns to inadequate regulatory framework. There is an urgent need for the Government to enact a competition law, that would also create an independence enforcement authority and also ensure the regulatory framework is enhanced, as an effective way of ensuring that the digital market is competitive and the welfare of consumers is enhanced.

Recommendations

Based on the findings from the study, below are recommendations for both consumers and business entities amidst challenges.

Competition Law

There is no competition law in place thus, it is recommended that there should a competition law and the improvement of other legal and regulatory framework for the competitiveness and growth of the digital market sector.

Interoperability

The need for the sector Regulators to put mechanisms in place to ensure businesses make their platforms interoperable

Effective Enforcement of Consumer Protection Law

The Commission has to put measures in place to ensure businesses adequately disclose any service charges or fees at the beginning of transactions and also refrain from misleading advertisements. In addition, to advocate for both regulators and businesses to create platforms to receive and address consumer complaints.

CHAPTER 9: TOGO

INTRODUCTION

In Togo the study was conducted by the Ministry of Commerce, Handicrafts and Local Consumption through its department of domestic trade and competition. This department is responsible for the promotion of competition in the Togo domestic market.

Digital Market in Togo

In an era where digital transformation is redefining economic and social paradigms, Togo is emerging as a dynamic player with a booming digital market. The Togolese digital market is experiencing rapid growth, fuelled by improved internet connectivity and the adoption of mobile technologies. Digital technology is asserting itself as a tool for modernizing the economy and society. The vision expressed by the country's highest authorities, set out in Axis 3 of the Government's 2020-2025 Roadmap, is to make Togo a “service hub and an international centre of digital innovation and expertise”.

The digital market in Togo expanded at an average growth rate of 15 percent between 2021 and 2023. This growth is driven by a significant increase in the number of online transactions and a growing adoption of digital financial services. The number of users of e-commerce platforms and mobile money services has increased considerably, reflecting the growing digitalization of consumer habits.

The e-commerce sector in Togo has expanded significantly. The number of online transactions has also shown an upward trend, with an annual increase of almost 25 percent. The adoption of digital payment methods, such as mobile wallets and online banking, indicates a shift from traditional to digital financial transactions. The digital financial platform sector in Togo is also booming.

POLICY, LEGAL AND REGULATORY FRAMEWORK

In addition to the international and community legal provisions, the digital sector in Togo is governed by various laws and regulations. The Government has upgraded and supplemented the ICT legal framework, particularly by adopting several legal texts helping to:

- implement the digital economy sector strategy;
- set up the necessary governance structures;
- protect citizens from the new challenges posed by the country's entry into the information society.

Togo's digital ecosystem is based on a set of interconnected institutions that together regulate, facilitate and supervise digital-related activities. The main regulatory institutions include:

- Ministry of the Digital Economy and Transformation, which is the Ministry responsible for implementing digital policies.
- Ministry of Commerce, Handicrafts and Local Consumption, the ministry responsible for developing and implementing the Government's e-commerce policies.
- Electronic Communications and Posts Regulatory Authority, the institution responsible for regulating electronic communications and postal services.
- The National Cybersecurity Agency, the national body responsible for information systems security.
- Togo Digital Agency, the body created by the Togolese government as part of the implementation of the Togo Digital 2025 Strategy.
- Personal Data Protection Agency, the body set up to ensure the protection of citizens' personal data.
- National Cybersecurity Incidents Responses Centre in Togo (CERT.TG), the specialized entity set up to ensure cybersecurity in Togo.

- Central Bank of West African States (BCEAO), the regulator of financial services at sub-regional level.

National Laws and Regulations

- Law No. 2019-014 of 29 October, 2019 on personal data protection
- Law No. 2022-009 of 24 June, 2022 on cybersecurity and combating cybercrime
- Law No. 2017-007 of 22 June, 2017 on electronic transactions
- Law No. 2012-18 on electronic communications
- Information Society Guidelines Act 2017-006 LOSITO

Policies and Plans

- Togo Digital 2025 Strategy
- Strategy for the development of e-commerce in Togo for the period 2022-2026

Regional Laws and Protocols

- Supplementary Act A/SA.1/12/08 Competition Rules of the ECOWAS Regional Competition Authority
- AfCFTA Competition Protocol

Gaps in the Policy, Legal and Regulatory Framework

The Mobile Money service is not sufficiently regulated in Togo, particularly concerning the deposit account valuation process and the guarantee fund. To remedy these shortcomings, a draft law on banking regulations in Togo is currently being adopted.

It is also important to note that certain regulations, such as licensing requirements for digital financial platforms, can be restrictive and limit the entry of new players, thus reducing competition.

The majority of digital transformation initiatives are concentrated in urban areas, this raise concerns in terms of equitable access to digital technologies in rural areas. To achieve true digital inclusion, it is therefore crucial to pay particular attention to extending these services and infrastructural facilities to less-served regions, to ensure that the benefits of digitization are shared more evenly across the Togolese territory.

MARKET STRUCTURE

Businesses operating in e-commerce sub-sector use a variety of methods to reach consumers. The national market is still relatively small, mainly due to poor fixed and mobile Internet connections, the limited number of online payments and the complexity of deliveries outside Lomé.

Table 1: sales trends for the main digital players.

(In billions)	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4	Variation 2023 Q4/2022 Q4	Variation 2023 Q4/2023 Q3
Togo Cellular	30.21	31.01	31.72	33.35	34.82	15%	4%
Moov Africa Togo	15.71	15.85	15.53	15.76	15.89	1%	1%
Togo Télécom	8.76	9.07	8.70	6.46	8.79	0%	36%
CAFE informatique	0.156	0.199	0.170	0.131	0.125	-20%	-4%
TEOLIS	0.043	0.048	0.043	0.048	0.050	16%	3%
GVA			2.430	2.617	2.792		7%
Total turnover Mobile	45.92	46.86	47.25	49.10	50.71	10%	3%
Total turnover Fixed-line sales	8.96	9.32	11.35	9.25	11.76	31%	27%
Total Sector sales	54.88	56.18	58.60	58.36	62.46	14%	7%

Source: Ministry of Trade, Industry and Local Consumption, Togo

The Togolese digital market has shown significant growth between 2022 and 2023, in both the mobile telephony and fixed-line segments. An analysis of the sales figures of key operators reveals a market dynamic marked by the consolidation of existing leaders and the emergence of players more specialized in fixed broadband services.

Thus, the mobile telephony segment, dominated by Togo Cellulaire and Moov Africa Togo, saw an overall increase in sales (turnover) of 10 percent over the year, rising from 45.92 billion CFA francs in the fourth quarter of 2022 to 50.71 billion by the end of 2023. This growth, although dominated by Togo Cellulaire with a 15 percent increase in sales, shows a market in strong demand for mobile services. Moov Africa Togo, meanwhile, posted more modest annual growth of 1 percent.

The fixed-line sector has surpassed the mobile segment in terms of growth rate. With a 31 percent increase in total fixed-line sales between Q4 2022 and Q4 2023, reaching 11.76 billion CFA francs, fixed-line services appear to be attracting customers in search of more stable, high-performance connections, particularly for residential and business use.

New entrants such as GVA have also contributed to this growth, introducing fixed broadband service offerings that have found a positive echo in the Togolese market.

Togo's digital market continues to be structured around the dominance of large mobile operators, with Togo Cellulaire in the lead, but presents opportunities for smaller players specializing in the fixed-line sector. The trend towards migration to data services and broadband offerings is indicative of a maturing market, where users increasingly value connection quality and speed of service.

In short, Togo's booming digital market offers opportunities for continued growth. The prospects for market consolidation around the leaders, alongside the rise of new players in fixed-line services, point to a dynamic future, favourable to innovation and competitiveness.

In terms of the digital market, the table below shows trends in the main indicators, as well as the operators' penetration rates and market shares.

Table 2: trends in main indicators

Mobile Money subscribers	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4	Variation 2023 Q4/2022 Q4	Variation 2023 Q4/2023 Q4
Moov Africa Togo	1308703	1284037	1283110	1334816	1298463	-1%	-3%
Togo Cellulaire	1696345	1825629	1904478	1967167	2101206	24%	7%
Total Mobile Money subscribers	3005048	3109 666	3 187 588	3 301 983	3399669	13,1%	3%

Source: Ministry of Trade, Industry and Local Consumption, Togo

The Mobile Money market in Togo is showing marked changes in the subscriber and point-of-sale (POS) segments, dominated by two main players: Togo Cellulaire and Moov Africa Togo. The indicators above provide a better understanding of the competitive dynamics between these operators and the evolution of their market share, penetration and influence on the Mobile Money ecosystem in Togo.

Mobile Money subscribers, essential for measuring the reach of mobile financial services, recorded a steady increase, reaching a total of 3,399,669 users in Q4 2023. This increase of 13.1 percent on Q4 2022 and 3 percent on Q3 2023 shows that Mobile Money is becoming a preferred mode of transaction for a large proportion of the population.

Togo Cellulaire achieved a substantial increase in subscribers, reaching 2,101,206 users in Q4 2023, up 24 percent year-on-year and 7 percent on the previous quarter. This performance is indicative of an aggressive growth strategy and loyalty, sustained by innovative offers or awareness and promotion campaigns that succeed in attracting new users.

Moov Africa Togo, on the other hand, reported a slight drop in the number of subscribers, from 1,308,703 in Q4 2022 to 1,298,463 in Q4 2023, representing an annual decline of 1 percent and a quarterly decline of 3 percent.

This disparity in the evolution of subscribers shows the progressive domination of Togo Cellulaire, which seems to be gaining market share at the expense of Moov Africa Togo.

Table 3: Transaction values for the main operators

Transaction values (in billions)	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4	Variation 2023 Q4/2022 Q4	Variation 2023 Q4/2023 Q4
Moov Africa Togo	328	305	301	326	251	-23%	-23%
Togo Cellulaire	540	582	567	552	645	19%	7%
Total Mobile Money subscribers	868	887	868	879	896	3%	2%

Source: Ministry of Trade, Industry and Local Consumption, Togo

Table 4: Transaction volumes of the main operators

Transaction volume (in billions)	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4	Variation 2023 Q4/2022 Q4	Variation 2023 Q4/2023 Q4
Moov Africa Togo	23575065	21857805	22540757	24809824	20851064	-12%	-16%
Togo Cellulaire	46715765	50579745	52984370	53923680	61317526	31%	14%
Total Mobile Money subscribers	70290830	72437550	75 525 127	78733 504	82168590	17%	4%

Source: Ministry of Trade, Industry and Local Consumption, Togo

An analysis of the value and volume of transactions reveals trends that show not only variations in the performance of individual players, but also the overall evolution of the sector in a growing market.

The value of Mobile Money transactions, measured in billions of CFAF, illustrates the capacity of each operator to generate financial flows through its services. The period observed shows significant variations between the two competitors.

Moov Africa Togo reported a substantial decline in the value of its transactions, from 328 billion CFAF in Q4 2022 to 251 billion CFAF in Q4 2023. This 23 percent year-on-year drop, as well as a similar reduction compared to the previous quarter, indicates difficulties for the operator to maintain the value of its transactions, despite the relative stabilization of its

subscriber base. This contraction could be linked to several factors, including the loss of premium customers and increased competition from Togo Cellulaire.

Togo Cellulaire, on the other hand, has seen a significant increase in the value of its transactions, rising from 540 billion CFAF in Q4 2022 to 645 billion CFAF in Q4 2023, an increase of 19 percent over the year and 7 percent compared with the previous quarter. This dynamism illustrates the growing attractiveness of its services and a probable increase in its market share in terms of transactional value.

This situation marks a notable divergence in the performance of the two operators in terms of value generated, with Togo Cellulaire's apparent dominance strengthening its competitive position in this segment.

Moov Africa Togo recorded a decline in transaction volume, from 23,575,065 transactions in Q4 2022 to 20,851,064 in Q4 2023, a decrease of 12 percent year-on-year and 16 percent compared with the previous quarter. Togo Cellulaire, for its part, recorded an impressive increase in transaction volume, reaching 61,317,526 transactions in Q4 2023, compared with 46,715,765 in Q4 2022, representing growth of 31 percent year-on-year and 14 percent compared to the previous quarter.

Altogether, the above data indicate a more stable and growing performance for Togo Cellulaire, both in terms of transaction value and volume, while Moov Africa Togo appears to be experiencing challenges on both indicators. Togo Cellulaire's ability to increase both the value and volume of its transactions suggests that it is capturing a growing share of the market, both for large-value transactions and for frequent small transactions, thus consolidating its position as leader in the Mobile Money market in Togo.

Finally, this competitive situation could benefit consumers, as increased competition between the two operators is likely to lead to better services, greater accessibility and, potentially, more attractive promotion offers to encourage the use of Mobile Money services.

COMPETITION CONCERNS

Barriers to Entry or Exit, and Market Expansion

The study revealed that 37.5 percent of market players encountered barriers to market entry when starting up their business. These barriers are mainly related to high initial investment costs, complex regulations, and limited access to financing for new businesses.

Improved Regulatory Framework

Businesses lamented the need for better supervision by regulatory authorities to ensure fair competition and a level playing field.

Interoperability

There is lack of interoperability between the various Mobile Money services in Togo, and this is a major challenge for the inclusive and efficient development of the digital financial services sector. Despite the growing adoption of Mobile Money since 2016, structural barriers still hinder the smooth integration of the various players on the market.

CONSUMER PROTECTION CONCERNS

Transaction Security

Transaction security is at the heart of concerns for consumers, reflecting a persistent distrust of e-commerce platforms, particularly among new or inexperienced users. This distrust is exacerbated by reported cases of fraud, non-delivery of products, or services not conforming to descriptions.

Consumers expressed concerns about the security of their personal and banking data, and many are reluctant to fully embrace electronic payments because of a perception of uncontrolled risks.

Transparency and Disclosure

Some of the consumers expressed concern in relation to transparency, adequate and timely disclosure whilst transacting online.

CONCLUSION AND RECOMMENDATIONS

Conclusion

An in-depth analysis of the digital market in Togo has revealed complex and constantly evolving dynamics. The study's main findings reveal a rapidly growing market, driven by the increasing adoption of digital technologies, urbanization and growing demand for digital financial platforms and e-commerce solutions. However, the market is also marked by notable challenges, such as barriers to entry, inadequate consumer protection, and limited competition.

For companies operating in this market, the analysis highlights the importance of rapidly adapting to technological developments and changing consumer preferences. Competition among the market, though limited for the time being, is set to intensify with the entry of new players and the diversification of service offerings. Companies must therefore invest in innovation and differentiation to maintain their competitiveness in the nearest future.

From the consumer's point of view, the study highlighted concerns in relation to poor service quality, lack of personal data protection and limited transparency when transacting online. Although the range of services offered are diversifying, consumers are demanding greater guarantees in terms of security and protection of their rights.

Recommendations

Updated Regulatory Framework

There is a need to improve the legal framework by revising the law on banking regulations to cater for certain technological and digital innovations, such as the use of cryptocurrency and artificial intelligence.

Data Protection

Mechanisms to be put in place to ensure businesses strengthen the protection of consumer data, by implementing clear and transparent policies managing personal data privacy.

Consumer Education

Consumers need to be better informed about their rights and how to protect themselves in the digital environment. Awareness-raising campaigns can help increase confidence in online transactions.

Interoperability

It is important that platforms are made to be interoperable. Togo, in partnership with GIZ and the Millennium Challenge Corporation (MCC), has relaunched the interoperability project through the ProDigiT, Compact and Threshold programs. However, the success of this interoperability will depend heavily on collaboration between players, the adoption of standardized norms and the proactive role of the sector regulators.

CHAPTER 10: KEY INSIGHTS AND OBSERVATIONS

INTRODUCTION

The importance of the digital market in the ECOWAS region cannot be overstated. The ECOWAS community, rich in diversity and potential, is excitingly witnessing a digital revolution. The Participating Member States have noted yearly increases in the number of users of digital financial platforms and e-commerce, a revolution that has the ability of unlocking business opportunities across the region. The digital market streamlines cross-border transactions in the region, reduces costs and improves logistics. E-commerce platforms allow local businesses to reach consumers beyond their borders, promoting vibrant trade environment within ECOWAS.

Across Member States it has been observed that the digital finance subsector is more developed, vibrant and prominent compared to the e-commerce subsector. In the countries studied, there has been significant investment in digital financial platforms like mobile banking, and financial technology (fintech) solutions, especially mobile money services, which have become widely accessible. In contrast, e-commerce requires more robust logistics and supply chain infrastructure, which is still developing. There are several factors responsible for the limited development of e-commerce as compared to digital financial platforms. One of the main factors is that there is relatively high demand for accessible digital financial services, these services have become a necessity, and this has driven the growth of digital finance. However, e-commerce is often seen as a secondary priority, compared to the necessity of accessing financial services, as a relatively small niche of the population engage in e-commerce transactions due to broadly limited infrastructure, inadequate regulatory framework, and limited knowledge of the populace.

In addition, across Member States the transition to digital finance has been relatively smooth due to the prevalence of mobile phones. However, e-commerce, which requires a significant

shift in consumer behavior towards online shopping, has faced greater resistance. Consumer trust is another important factor, as consumers often have more trust in digital financial services, particularly mobile money, for transactions. E-commerce, on the other hand, faces resistance regarding online payments, product quality, and delivery reliability. What is clear is that Member States need to create a conducive and enabling environment and shift similar focus to the e-commerce subsector, as it has immense potential to play a major role in regional integration and economic growth of Member States.

The studies carried out by Member States have revealed several issues ranging from anti-competitive practices, consumer rights violations, lack of competition and consumer protection laws, interoperability, weaknesses in the regulatory framework, lack of awareness of the legal framework, competition neutrality amongst others. It is evident from the studies that a single body cannot address these issues, thus there is need to establish a strong and comprehensive collaborative framework to adequately take the diverse issues raised in the studies. This builds confidence in the sector, as processes are simplified and transparent, which enables stakeholders to know the mechanism of addressing any issues faced within the sector.

POLICY, LEGAL AND REGULATORY FRAMEWORK

As the ECOWAS region witnesses the rapid development of the digital market, it is essential to acknowledge both the opportunities and challenges it presents. The digital market has the potential to drive economic growth, create jobs, and foster innovation. However, without appropriate regulations in place, the region risks undermining these benefits and exposing the ECOWAS community to significant vulnerabilities and threats.

All Member states acknowledged inadequate policy, legal and regulatory frameworks. In relation to competition. This has clearly indicated that the region has a long way to go in addressing inadequacies in enhancing the growth of digital market. It is also provided that most of the countries are yet to have in place competition and consumer protection laws and independent bodies in charge of competition and consumer protection. This is a major

obstacle in ensuring that competition and consumer welfare is enhanced in the digital market. The studies revealed that even the Member States that have competition and consumer protection laws need to update such laws to adequately cater to the evolving digital market.

In the absence of competition laws, dominant market players can stifle innovation and create barriers that prevent new entrants from competing, that does not only limits consumer choice but also hinders economic growth. The absence of consumer protection laws also has similar detrimental effects, as consumers are exposed to issues such as data privacy, fraudulent practices, and unfair contract terms. This lack of protection can lead to a loss of consumer confidence, and limited growth in the sector.

It is important to note that ERCA should continue the support to Member States as urgent priorities to develop competition and consumer protection laws and frameworks.

The studies revealed other regulatory gaps, relating to obsolete policies, laws and regulations of the sector regulators for adequate monitoring and supervision in digital market.

It must be noted that addressing regulatory gaps requires a collaborative approach among Governments, law makers, businesses, and civil society. Stakeholders must come together to identify challenges, share best practices, and develop solutions that promote fair competition, consumer protection and a comprehensive regulatory framework.

One of the main missions of ERCA is to collaborate with Member States to harmonize competition and consumer protection laws, ensure a unified legal framework. This will ensure consistency and fairness across borders, fostering a more integrated digital market.

COMPETITION CONCERNS

The competition concerns raised by Member States were obtained through the administration of questionnaires and interviews, and below are the main concerns that were raised across Member States.

i. Restrictions on Cross Border Remittances within ECOWAS

The studies across Member States revealed only one cross-border competition concern. This is in relation to alleged restrictions on cross-border peer-to-peer transactions via digital wallets within the ECOWAS market. It has been revealed that cross-border peer-to-peer transactions are only possible within West African Economic and Monetary Union (WAEMU) countries rather than from non-WAEMU countries to WAEMU countries.

This is a concern that ERCA will investigate, to verify the allegations and take appropriate action as deemed necessary.

ii. Inadequate Competition Laws to Tackle Digital Market

Member States with existing competition laws have raised concerns in relation to the applicability of their current laws on the digital market. Competition laws were mainly meant for traditional markets however with the emergence of the digital market, competition laws face issues in relation to market definition and dominance etc. There is an urgent need to update relevant laws to adequately cater for the digital market.

It is also essential that Member States in the process of developing new competition laws ensure that it takes into account the complexities of the ever-evolving digital market.

iii. Interoperability

The studies revealed that the digital financial platforms in most of the Member States are not interoperable and this has negative effects on competition and consumer welfare. Making platforms interoperable is not attractive for dominant businesses as they want to maintain their dominance. In this regard, it is vital that regulatory bodies work in collaboration with competition authorities to ensure it is mandatory for platforms to be interoperable, this will lead to enhanced competition and consumer welfare as well as growth of the sector.

iv. Vertical Integration

Given that some of the mobile money or wallet services in Member States are operated by telecommunication and micro finance companies. There are competition concerns in relation

to vertical integration. This integration raises potential barriers to entry as these businesses might leverage network effects by linking telecom services with financial transactions. It is imperative that regulators and competition authorities in Member States closely monitor the nature of such integrations to ensure that businesses do not use it to distort or restrict competition and create unnecessary barriers or restrictions for consumers.

v. Lock-in Effects / Switching Costs

The fact that interoperability is not common in most of the digital financial platforms in Member States, this leads to competition concerns in relation to lock-in effects / switching costs for consumers. The platforms of the dominant businesses are often not interoperable thus, consumers tend to get used to certain services, creating a strong dependency among consumers and hence to a "lock-in" effect. These firms often intentionally ensure that the cost of switching to a competitor is high and complex discouraging consumers from moving to a competitor due to the potential complexities and inconveniences. The regulators, competition and consumer protection authorities in Member States have a major role in ensuring that switching costs are limited to the bare minimum, to enable consumers to freely opt out and move to competitors if they are unsatisfied with their service quality. This is one of the main ways to ensure that businesses are held accountable, knowing that they can easily lose costumers due to substandard products or service quality.

vi. Entry Barriers

Most of the entry barriers raised by Member States are in relation to regulatory barriers, bureaucracy and high capital requirements. There is a need for regulators in Member States to strike balance between the regulatory requirements set for market entry vis-à-vis encouraging more market entrants to enhance competition in the market. Competition rules and other sector regulations go hand in hand, to facilitate and achieve a level playing field. However, overly stringent regulations may disproportionately impact players, especially the smaller ones, which ultimately reduced overall competition in the market.

The purpose of any such sector regulations is to establish requirements and standards for market entry but must be carefully designed to avoid hindering competition. Balancing

regulation and competition contribute to a sustainable market environment where businesses can thrive, and consumers are protected. This leads to long-term economic resilience.

CONSUMER PROTECTION CONCERNS

i. Inadequate Disclosure

Inadequate disclosure by businesses is one of the main consumer protection concerns raised by consumers across Member States. Consumers are not adequately informed in a timely manner of the fees, charges, terms and conditions for the products and services. Consumer Protection Authorities and regulators must be stringent in ensuring that consumers are informed of all the required information before they buy a product or service.

It is also imperative that consumers are sensitized about their rights, responsibilities, and redress mechanisms available to them, as this will aid them to protect themselves whilst transacting online.

ii. Frequent System Downtime

The frequent system downtime in the digital market is of major concern for consumers across Member States. The downtimes are mainly due to infrastructural challenges in terms of internet connectivity and network problems. Frequent system downtimes lead to frustration and inconveniences, in the long run eroding consumer confidence.

The regulators and consumer protection bodies in Member States must ensure businesses are obliged to invest in robust IT infrastructure, implement effective monitoring and maintenance strategies, and ensure rapid response capabilities to minimize downtime and enhance consumer confidence in their services.

iii. Return Policies

Consumers across Member States have raised concerns in relation to difficulties in returning products they bought through e-commerce. It should be noted that regardless of the medium used to purchase a product, it is a consumer's right to return a product that is not fit for purpose. Some e-commerce platforms have vague or overly strict return policies and consumers mostly do not fully understand the process or may find it difficult to navigate, leading to frustration. In addition, the cost of returning products can be prohibitive for consumers and this may discourage customers from returning products even when they are unsatisfied.

To adequately address the issue of the return policy, there is need for a mixed approach where regulators and consumer protection bodies must ensure businesses are mandated to put in place flexible, reasonable and easy to understand return policies and there is also need for enhanced consumer education on their rights and responsibilities. This can help build trust in e-commerce and encourage more consumers to shop online confidently.

iv. Data Protection and Cybersecurity

Consumers across the region have raised concerns in relation to data protection and cybersecurity whilst transacting in the digital market. The studies revealed that some of the Member States do not have in place data protection and cyber security laws. This leaves consumers vulnerable to data breaches and misuse resulting to increasingly concerned about how their information is used, shared, and protected.

Cybercrime is on the rise across the region, with incidents of hacking, phishing, and identity theft becoming increasingly common. These issues are amongst the main reasons consumers have the phobia of transacting online.

There is an urgent need for Member States to enact laws and develop robust regulatory frameworks, that protects consumers from data breaches and cybercrimes. However, it is not enough to have the framework, it is imperative that relevant stakeholders collaborate to enhance cybersecurity infrastructure and promote awareness and education among consumers and organizations.

CONCLUSION

The study has provided valuable insights on the structure of digital markets and the state of competition and consumer welfare in Member States and within the region. It has identified competition and consumer protection concerns, most of which are very common across Member States, given the similarities in culture, market structure and dynamics.

The study has showcased that Member States are at different levels in terms of the development of the digital market, but it is evident that all Member States are unable to adequately tackle the issues and complexities of the digital market due to inadequate policy, legal and regulatory frameworks.

The study has shown the need for a collaborative approach to solve the competition and consumer protection issues, as the diverse issues range from inadequate regulatory frameworks, limited awareness of businesses and consumers on relevant laws and infrastructural challenges etc. In this regard, it is imperative that stakeholders across the ECOWAS region, Governments, businesses, and civil societies, come together with a shared vision to enhance competition and consumer welfare in the digital market. Through collaboration and dedication, the region can overcome the barriers that currently hinder its progress and unlock the full potential of the digital market in ECOWAS.

The expected impact of this study cannot be overstated. It seeks to be a transformative tool for promoting competition, fostering economic growth, and ultimately safeguarding and enhancing the quality of life for our citizens as enshrined in Vision 20250 of the region. The study is a crucial resource for a wide range of stakeholders, including policymakers to aid in making informed decisions, empowers businesses and consumers, supports civil society particularly consumer associations, aids academic researchers, and guides regional organizations. It is imperative to effectively implement the study recommendations in order to promote sustainable economic growth through competition and enhanced consumer welfare across the region.

This study been one of the cross-country study on competition and consumer protection coordinated and facilitated by ERCA, gratitude is extended to Member States for their participation in this very important study. The collaborative spirit has been invaluable in creating a comprehensive understanding of the challenges and opportunities the region faces. The next step is collaborating and striving forward in the implementation of the recommendations of the study. The dedication of Member States to this study is truly commendable, and the path ahead is promising.

Finally, ERCA is committed to working with Member States to build a digital market that not only drives economic development but also upholds the rights and interests of consumers across the ECOWAS region.

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